United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 80th CONGRESS, FIRST SESSION

SENATE

THURSDAY, JULY 3, 1947

(Legislative day of Monday, April 21, 1947)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

God of our fathers, whose Almighty hand hath made and preserved our Nation, grant that our people may understand what it is they celebrate tomorrow.

May they remember how bitterly our freedom was won, the down payment that was made for it, the installments that have been made since this Republic was born, and the price that must yet be paid for our liberty.

May freedom be seen, not as the right to do as we please, but as the opportunity to please to do what is right.

May it ever be understood that our liberty is under God and can be found nowhere else.

May our faith be something that is not merely stamped upon our coins, but expressed in our lives.

Let us, as a nation, not be afraid of standing alone for the rights of men, since we were born that way, as the only nation on earth that came into being "for the glory of God and the advancement of the Christian faith."

We know that we shall be true to the Pilgrim dream when we are true to the God they worshiped.

To the extent that America honors Thee, wilt Thou bless America, and keep her true as Thou hast kept her free, and make her good as Thou hast made her rich. Amen.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the legislative proceedings of Tuesday, July 2, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had passed a bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4031) making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes, and it was signed by the President pro tempore.

CONTINUATION OF CERTAIN POWERS OF THE PRESIDENT UNDER TITLE III OF THE SECOND WAR POWERS ACT

The Senate resumed the consideration of the bill (S. 1461) to extend certain powers of the President under title III of the Second War Powers Act.

The PRESIDENT pro tempore. Under the order of the Senate, the pending business is Senate bill 1461, the bill to extend certain powers of the President under title III of the Second War Powers Act.

The parliamentary situation is that the pending question is on agreeing to the amendment of the committee, which is a complete substitute for the text of the bill as introduced.

Mr. WILEY. Mr. President——

The PRESIDENT pro tempore. The Senator from Wisconsin.

Mr. WILEY. I believe we should have a quorum. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	O'Conor
Ball	Hickenlooper	O'Daniel
Barkley	Hoey	O'Mahoney
Bricker	Ives	Overton
Bridges	Jenner	Pepper
Brooks	Johnson, Colo.	Reed
Bushfield	Johnston, S. C.	Revercomb
Butler	Kem	Robertson, Va.
Byrd	Kilgore	Robertson, Wyo.
Capehart	Knowland	Russell
Capper	Langer	Saltonstall
Chavez	Lodge	Smith
Connally	Lucas	Stewart
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Umstead
Dworshak	McKellar	Vandenberg
Ecton	Magnuson	Watkins
Ellender	Malone	Wherry
Ferguson	Martin	White
Fulbright	Millikin	Wiley
Green	Moore	Williams
Gurney	Morse	Young
Hatch	Murray	
Hawkes	Myers	

Mr. WHERRY. I announce that the Senator from Washington [Mr. CAIN] and the Senator from Minnesota [Mr. THYE] are absent by leave of the Senate on official business.

The Senator from Connecticut [Mr. BALDWIN] is absent on official business.

The Senator from Maine [Mr. BREWSTER], the Senator from Delaware [Mr. BUCK], the Senator from Vermont [Mr. FLANDERS], and the Senator from Iowa [Mr. WILSON] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of illness in his family.

Mr. LUCAS. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Rhode Island [Mr. McGRATH] are absent on public business.

The Senator from Georgia [Mr. GEORGE] and the Senator from Florida [Mr. HOLLAND] are absent by leave of the Senate.

The Senator from Connecticut [Mr. McMAHON] and the Senator from Maryland [Mr. TYDINGS] are absent because of illness in their families.

The Senator from Utah [Mr. THOMAS] is absent by leave of the Senate, having been appointed a delegate to the International Labor Conference at Geneva, Switzerland.

The Senator from New York [Mr. WAGNER] is absent because of illness.

The PRESIDENT pro tempore. Seventy-six Senators having answered to their names, a quorum is present.

Mr. WILEY. Mr. President, a famous preacher once said that after the first 15 minutes no sermon effectuated any conversions. I think that statement is very pertinent in the legislative session at this time, so I shall be very brief in my remarks.

Mr. President, S. 1461 is a bill to extend certain powers of the President under title 3 of the Second War Powers Act and under the Export Control Act until June 30, 1948, with certain limitations.

Now, what is the need for this action?

Section 2 of the bill succinctly sets forth the situation. It declares that it is the policy of the United States to eliminate emergency wartime controls of materials, except to the minimum extent necessary:

First. To protect the domestic economy from injury which would result from adverse distribution of materials which continue in short world supply.

Second. To promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States.

Third. To make available to countries in need, consistent with the foreign policy of the United States, those commodities whose unrestricted export to all destinations would not be appropriate.

Fourth. To aid in carrying out the foreign policy of the United States.

It is well known that food allocations under the International Emergency Food Council, of which some thirty-odd countries are members, are recommended on a world basis. Inventories have been taken of foods throughout the world. We have attempted to appraise the needs of various nations, and thirty-odd nations have joined in this plan. The Secretary of Agriculture represents the United States. During the war, all exports were under control, comprising some 3,200 commodities. Today there are something over 300 commodities on the control list of the Department of Commerce. Because of world shortages and demands being made on the United States, for foods, manufactured goods, and raw materials, it is necessary to insulate our markets from the full impact of world demand in order that domestic prices do not get out of hand.

By the bill under title 3 of the Second War Powers Act:

(A) The President is authorized to control imports of tin and tin products, cordage fibers, antimony, fats and oils, rice and rice products, and nitrogenous fertilizer materials, which controls, though in a lesser degree than the control of exports, influence in the same manner domestic prices and production.

(B) The President has power of domestic allocation of commodities in short supply.

(C) He has the power to require priority of production, transportation, and of export of nitrogenous fertilizer materials, materials which he determines expand or maintain the production in foreign countries of materials critically needed in the United States, and materials, upon the certification of the Secretary of State that the prompt export of such materials is of high public importance.

Export controls serve as an essential instrument for channeling exports of certain commodities, such as foods and coals, to particular countries in accordance with our foreign policy. As already stated, we are participating with other countries in determining allocations of essential supplies in world short supply, and we want to prevent their maldistribution. With respect to fats and oils, rice and rice products, import controls operate to prevent an undue flow into the United States at the expense of other countries in greater need.

Senators will bear in mind that the bill proposes to extend these powers for a year. However, the statute specifically provides that the Congress, by concurrent resolution, or the President, may designate an earlier time for the termination of any power.

As I previously stated, during the war some 3,200 commodities were under control. Controls have been reduced, until now there are approximately 300 commodities under control. Of course, it is not so much a question of the number of commodities as it is the amount that is involved.

Mr. President, I understand some amendments will be offered in relation to cordage. I might say parenthetically that I have received letters from cordage manufacturers and have had conversations with the representative of the cordage manufacturers, and have received letters from the State prisons which manufacture cordage, and they all express the belief that controls on cordage should be removed. But, Mr. President, while I am not a "fearist," that is, I am not one who believes in fear, I believe that sometimes the advantage of a little prescience, the exercise of a little foresight, is better than a considerable amount of hindsight. We are told that we have now coming into harvest the greatest wheat crop in our history. Of course, a considerable amount of the wheat crop does not need binder twine. It is estimated, however, that there will be a loss of from 30 to 40 percent of our normal corn crop in certain areas. Our oat crop will be less than the normal crop. We must make sure that we gather the total crop, so that there shall be no loss in connection with it.

I have requested from some manufacturers a guaranty that the twine needed will be available. I could not obtain such a guaranty. I have been given their sincere promise. I believe they are sincere in making the promise. But, Mr. President, if I produce an item worth $1 and one buyer on the domestic market offers me a dollar for it, and other buyer offers me $2 for it, the one who offers me $2 is going to be sold that item. The important thing to be considered in connection with twine is that we shall have no loss in our food production. That is important not only for America, but, God knows, it is important for the world.

Mr. President, I understand that some statement is going to be made in relation to removing import controls of fats. I think the import control should remain on fats. Of course, with our buying ability we can corner the fats market of the world. But we have certain obligations that I have mentioned heretofore in connection with the agreement entered into by thirty-some-odd countries in relation to fats. If there is any one food item the people of the world need it is fats. We have obligations in connection with our occupancy of Germany. We have obligations undertaken with respect to other lands under agreements which we have entered into, and in my humble opinion we must keep faith with those agreements. Therefore, we cannot import, we cannot permit our buyers, in my judgment, to buy the fats which the rest of the world so badly needs.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I cannot understand the principle on which we limit imports of fats and oils into the United States. Only last week the President sent a message to Congress saying that under no circumstances must we limit imports of wool. There is a shortage of wool. There is a shortage of fats and oils. The President vetoed a bill because it contained a provision which might enable him to impose a tariff or fix quotas. Those are import controls. He vetoed that bill because he said it would prevent free trade in the world, would prevent our people from buying wool throughout the world. Yet we are now asked to place restrictions on the importation of fats and oils, with respect to which there is also a shortage, and prevent foreign countries from obtaining the dollars which might conceivably pay us for some of the things being exported.

I cannot understand the logic of the situation as between the two things. It is said that there is some agreement with respect to the distribution of these things throughout the world. If we are to have cartels throughout the world we ought to have import controls and quotas on everything. If not, I see no justification for continuing import controls on fats and oils.

Mr. WILEY. I do not vouch for the logic of the President of the United States. Nor do I believe that that is what we are considering. What we are considering is the legislative policy, for which we alone are responsible, even though the President has made the suggestion.

These are not logical times. These are times when everything is askew. Everything is out of gear. The world is not operating in high gear, or in mesh. It is out of mesh. So far as logic is concerned, if it is contended that we should buy wherever we can and take unto ourselves everything we can get, and go back on the international food agreement, while lending money to Europe so that Europe may come back here and buy the same fats from us, that is not logic, either. I feel that if we try to operate the Government on the basis of logic in these days, we shall find that it will prove to be inadequate. There is such a thing as the higher logic of the mind and the soul. Our responsibility is to keep our own economy healthy, and at the same time attempt to perform the function of a good Samaritan in helping to make other peoples adequate.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to enter into a discussion of the wool question, which has been brought up by the Senator from Ohio. However, it seems to me that there is a situation with respect to wool entirely different from that which obtains with respect to fats and oils. There is no necessary relationship between the two, and no similarity between them. Our shortage of fats and oils is a temporary shortage, growing out of the war. Our people are being urged even now, 2 years after the war is over, to preserve fats and oils, not only for our own benefit but for the benefit of other countries, if we have any surplus. On the other hand, the shortage in wool is a permanent shortage. We have never had anything but a shortage in wool, so far as our own production and consumption are concerned.

Furthermore, placing restrictions upon the importation of fats and oils does not necessarily, if at all, relate itself to any international agreements with respect to trade. There is a temporarily emergent situation in which we are seeking to increase our own production of

fats and oils for our own consumption, as well as for whatever we may be able to do for other peoples who are suffering from an even greater shortage of those products than we are. I do not see the relationship between what is undertaken here in the extension of the authority under the Second War Powers Act and the President's veto of the wool bill the other day, and the subsequent action of Congress upon it. There has never been anything but a shortage of wool in the United States.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. This country has never had anything but a shortage of fats and oils. We always import great quantities of fats and oils.

Mr. BARKLEY. We do; especially vegetable oils, but not necessarily animal oils.

Mr. TAFT. We have always imported large quantities of the kinds of fats and oils upon which import restrictions are now placed. Today we are unable to import those fats and oils. There is no attempt to allocate. This is simply an import control. The result has been that American users of fats and oils have been competing for a limited supply of fats and oils, and the prices of such fats and oils have been driven far beyond what they ought to be. For the kinds of fats and oils being imported today we are paying prices largely in excess of the world prices.

Mr. BARKLEY. We are importing fats and oils produced from vegetables which we ourselves do not produce.

Mr. TAFT. Yes. For the most part the fats and oils which we import are inedible oils, which we always have imported.

Mr. BARKLEY. We have also imported considerable quantities of edible oils.

Mr. TAFT. We usually export edible oils.

Mr. BARKLEY. I refer to oils such as olive oil, and things of that kind, which are produced in other countries, and which we do not produce. Olive oil is an edible oil.

The situation to which the Senator calls attention is not limited to inedible oils. Over a long period of years, in normal times we have exported animal fats, such as lard, and other fats of that sort; but we are not doing it commercially to a great extent at the present time.

Mr. TAFT. What happens today? We place export controls on edible fats, the result of which has been to force the price of lard below normal. Other countries want lard, but apparently our people are not particularly fond of it. We place such controls in effect at the same time we place import controls on vegetable fats and oils which come in from the Tropics. It seems to me that there is no logic in the situation. I do not like the continuation of any controls, but I can see the reason why, when we are spreading our dollars around the world so freely, we should protect our own markets from those dollars buying the things with respect to which we are in short supply. But I cannot understand why we should have import controls. It seems to me utterly inconsistent with our whole foreign trade policy, and the reciprocal trade policy, the purpose of which is to encourage imports into this country so that foreigners may have dollars with which to buy goods in this country.

It is said that the Food Commission is to divide up the oils and fats, so that we must restrain ourselves from buying free fats and oils. However, the countries in which we can buy them can place export controls on them if they so desire, and can to some extent guide the disposition of their fats and oils. The British do it. I do not believe that the removal of such controls would affect the world situation in any respect. I think it would reduce the price of fats and oils in this country. It would enable us to be more free in permitting the export of lard and fats of which we have a surplus. I believe very strongly that the attempt to continue import controls is far worse than raising the tariff or imposing quotas, to which the President objects in other fields.

Mr. BARKLEY. Mr. President, will the Senator further yield?

Mr. WILEY. I yield.

Mr. BARKLEY. I do not wish to take the Senator's time, because I know that he is anxious to have the bill disposed of. However, I should like to say just a word. The question of whether the price of lard is below normal depends upon what is considered normal. Ordinarily, the price of lard goes along with the price of hogs and other animals from which lard is made. It presents to me a different situation. These controls may not be exercised. The bill merely provides for an extension of the power to apply them, if the President should see fit to do so.

Mr. WILEY. They can be terminated at any time.

Mr. BARKLEY. They can be terminated at any time. I am satisfied that whenever the President is convinced that they ought to be terminated, he will do so. This is merely a permissive extension.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. I yield.

Mr. FERGUSON. Are the nations which belong to the organization which determines the quotas for export and import of these various products the nations which produce all the oils and fats, or are there some other nations which would be an open market, and would sell to anyone, disregarding the regulations of the Commission?

Mr. WILEY. I cannot answer the question definitely, except to say that it appears to me, from the list contained in the report, that there are involved South American countries, Australia, Mexico, the Union of South Africa, the United Kingdom, United States, and a number of small countries. I suppose there are some countries which have not yet come in.

I want to state again, Mr. President, that I can agree with the statement of the distinguished Senator from Ohio that perhaps it is not logical; but the committee in its report makes this statement:

> It is the opinion of the committee that the chief purpose of import controls of oils and fats is to give strength to the commitments made in the IEFC and to deficit countries who are members of the IEFC that this country will not use its favorable financial position to capture free supplies of oils and fats which deficit countries sorely need.

The report takes up the subject of fats and oils on page 22; and Senators will find a summary of the testimony for and against this proposition. The controls can be terminated at any time. If the world situation would clear up, they would be terminated. On the other hand, if the world situation should get worse in relation to food, especially fats and oils, it is very important, to my mind, at least, that the instrumentality be present to enable us to handle the situation.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. TAFT. I want to point out, with regard to our obligations to the rest of the world, that this country is exporting more food than any country has ever exported in the history of the world. We are performing all our obligations to the world. We are exporting large amounts of edible fats and oils, and I cannot see that we need voluntarily to restrict ourselves in buying things which we can buy. If we import them, we will be able to export more products after they are processed.

Is it not true that every member of industry who testified was opposed to the continuation of these import controls, and that the only pressure for it came from Government officials?

Mr. WILEY. In answer to the last question of the Senator, I will say that the Senator from Kentucky [Mr. COOPER] is the one who held the hearings. I was only in and out during the hearings. The Senator's question would have to be answered by the Senator from Kentucky. Judging from the summation in the report, I think that probably the question should be answered in the affirmative.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILEY. If the Senator will wait one moment until the Senator from Kentucky [Mr. COOPER] has an opportunity to respond.

Mr. COOPER. Mr. President, there was only one man who appeared with reference to fats and oils, as I recall the testimony. That was Mr. John B. Gordon. A little bit later, when I take up the bill, I expect to explain in some detail the evidence and testimony respecting these various commodities. I should prefer to wait until that time.

Mr. TAFT. Mr. H. W. Prentis, Jr., president of the Armstrong Cork Co., is also referred to in the report as having testified against the continuation of import controls on linseed oil.

Mr. COOPER. That is correct.

Mr. FERGUSON. Is it not true that by putting on these import controls in that way we are keeping dollars from certain countries that are in need for them? Take a country which has fats and oils, but which is in need of American dollars. By this method of control we keep from them American dollars and compel them to take some foreign exchange or none at all for their fats and oils, whereas at the same time we control the imports of fats and oils we are shipping these products to foreign nations. As I see the picture, we are just controlling them and increasing the price in this country. Is it not a fact that we keep American dollars from the other countries?

Mr. WILEY. Again I shall have to defer to my colleague, who has gone into the subject in much more detail.

At this time, Mr. President, I want to close my remarks, and I shall ask the Senator from Kentucky [Mr. COOPER] to go into the subject quite fully.

As I look over the world and see the need of various nations, I think that if there is any country, such as Australia, for instance, which undoubtedly has fats, she would undoubtedly sell them to England or to other parts of the Empire. If there are places in South Africa possessing fats and oils, instead of our buying those products and bringing them over to this country and shipping them back, we could so arrange it that other nations who have dollars, through our various banks and through various international loans, can get those fats directly. That would seem to me to be the answer.

When a man is diligent and conscientious and possesses other much-sought-for human qualities, the chairman of a committee welcomes him with open arms. Our associate the Senator from Kentucky [Mr. COOPER] is a veteran of the last war. He possesses these qualities and three others which endear him to all his associates. He has judgment, courage, and ability to get at the facts and the issues in a given matter. He received only one directive from me in connection with this matter. When it came before the Committee on the Judiciary I appointed him as chairman of the subcommittee and said, "Get the facts." He has held numerous hearings, and examined many witnesses, and I should like to have him take over from here on.

Mr. OVERTON. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. OVERTON. With respect to rice, does the bill affect only the importation of rice, or does it also affect the exportation of rice?

Mr. WILEY. I think the Senator's colleague has taken care of that by inserting the word "only."

Mr. ELLENDER. Section 3 of the pending measure amends title III of the Second War Powers Act, insofar as the importation of rice and rice products is concerned. There is another section of the bill, section 4, which deals with the exportation of various products, including rice.

Mr. OVERTON. I am glad the Senator is here, because he is much more familiar with the situation than I am.

Mr. ELLENDER. Mr. President, since we are now dealing with rice and rice products, will the distinguished junior Senator from Kentucky yield to me for just a moment so that I may submit a noncontroversial amendment for consideration?

Mr. COOPER. I yield.

Mr. ELLENDER. Mr. President, I send to the desk an amendment which adds the word "only" after the word "control", on page 7, in line 15, of the bill. Title III of the Second War Powers Act conferred certain powers on the President of the United States respecting controls and priorities of various products. Under that title the Department of Agriculture in the past used its authority to set aside certain quantities of rice and rice products and fix priorities and control prices thereon. Although the pending bill seems to deal solely with the importatior of rice and rice products, I believe that by the addition of the word "only" after the word "control", on page 7, in line 15, it will make certain that the only authority that the Department will have in respect to rice and rice products under section 3 of the bill will be as to their importation. In other words, I desire to make it certain and crystal clear that the power to control prices, or to order set-asides or enforce priorities, insofar as rice and rice products are concerned, is not hereby renewed or extended.

In pursuance of that objective, I took up the matter with the Department of Agriculture, so as to obtain its views of what powers it thought the extension of title III of the Second War Powers Act now under discussion renewed insofar as rice and rice products are concerned.

Mr. President, at this time I wish to read in the RECORD a letter addressed to me from the Department of Agriculture, dated June 26, 1947, explaining what the act will do and why it is necessary to have import controls and export controls insofar as they affect rice and rice products. The letter reads as follows:

DEAR SENATOR ELLENDER: This is in reply to your telephonic request for information regarding the provisions of pending legislation to extend certain emergency powers and export controls and administrative action which might be taken under such legislation as they affect rice.

The only controls over rice and rice products which would be authorized under the pending legislation are those over imports and exports. It would not authorize the use of set-asides, priorities, or price control.

Let me say that the rice industry objected to an extension of title III of the Second War Powers Act last March and at present insofar as the extension permitted the Department of Agriculture set-asides, priorities, and price controls.

I read the remainder of the letter:

The authority to control imports appears to be necessary to prevent the importing of rice into this country to the detriment of other consuming areas. The authority to limit exports appears necessary to assure domestic consumers of obtaining their fair share of domestic production and to assure proper destination of such quantities as are available for export.

Since there has been some misunderstanding of the provisions relating to export control, I want to make it perfectly clear that the legislation does not authorize any form of control which could be used to meet export allocations. On the contrary, it does authorize the limitation of exports if necessary to prevent the exporting of an undesirably large proportion of the crop.

Sincerely yours,

N. E. DODD,
Under Secretary.

Mr. President, in connection with my remarks, I ask unanimous consent to have printed in the RECORD a telegram dated June 28, addressed to me, from Homer L. Brinkley, general manager of the American Rice Growers' Cooperative Association, and also a letter of June 27, 1947, from the Rice Millers' Association, of Louisiana, which are self-explanatory. I will not take up the time of the Senate to read them. The telegram, as well as the letter, explains the views of the rice industry on the pending measure.

There being no objection, the telegram and letter were ordered to be printed in the RECORD, as follows:

LAKE CHARLES, LA., *June 28, 1947.*

Senator ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.:

We regard continuation of both import and export controls on rice to be tremendously important for next year in order to protect domestic markets, including Puerto Rico and Hawaii and our Cuban export market. In view of world shortage, our domestic and Cuban markets might be drained if no export controls were imposed. If import controls are not imposed, it is entirely possible that imports from countries desperately in need of dollar exchange would come into domestic markets over our tariff wall, particularly if present price structure is maintained. We understand investigation is under way now by Puerto Rican governmental purchasing agency with the view to bringing in Brazilian rice with the Puerto Rican agency paying the import duty, which would be merely a bookkeeping transaction, since duty paid on imports to Puerto Rico remain in Puerto Rican treasury. Greatest potential threat to our industry now seems to be Brazil. To date they have not renewed their sales agreement with Great Britain, and this leaves them in position to threaten all our markets, including domestic markets. If United States export-import controls are extended, we will have far better bargaining powers so far as Brazil is concerned. Furthermore, it is our belief that the extension of these controls will constitute a moral obligation on our Government to see that our tremendou exportable surplus being produced this year will all be allocated and moved out to all available markets, with due consideration to the requirements of our domestic markets.

We urge you to take all necessary steps to see that these controls become effective.

HOMER L. BRINKLEY,
General Manager, American Rice Growers Cooperative Association.

THE RICE MILLERS' ASSOCIATION,
New Orleans, La., June 27, 1947.

Hon. ALLEN J. ELLENDER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR ELLENDER: We are deeply grateful to you for your painstaking efforts in behalf of the domestic rice industry. It

was, indeed, thoughtful of you to call the writer over telephone this forenoon and discuss with him the action which you are taking with respect to S. 1461.

We are not opposed to legislation to provide authority to restrict or curtail imports of rice, nor are we opposed to providing authority to designate foreign countries to which rice may be shipped and to specify the maximum amount which may be shipped to each country. But we are unalterably opposed to authorizing any form of control which could be used to implement export allocations, and thereby deprive the rice industry of furnishing the domestic market the maximum quantity of rice that it can utilize for comestible and industrial purposes. We believe that it is desirable that any legislation enacted make crystal clear that with respect to rice, authority to provide controls are limited to controlling the quantity which may be imported or exported. It is our opinion that this could be accomplished in specific legislation to authorize import-export controls and we believe that would be a better plan than to authorize any extension of controls for rice under title III of the Second War Powers Act, as the powers conveyed by that title are extremely broad and so vague that they can be and have been interpreted by the administration as suits their purpose.

It will give us pleasure to inform the industry generally of the work you are performing in its behalf.

With kindest personal regards.

Sincerely yours,

W. M. REID,
Executive Vice President.

Mr. ELLENDER. Mr. President, I now submit the amendment and ask for its immediate consideration.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 7, line 15, after the word "control", it is proposed to insert the word "only."

Mr. COOPER. Mr. President, there is no objection to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment to the amendment was agreed to.

Mr. COOPER. Mr. President, I want to thank the distinguished Senator from Wisconsin [Mr. WILEY] for his very kind and generous remarks. As he has said, the purpose of Senate bill 1461 is to extend certain emergency powers of the President until June 30, 1948, powers which, if not extended, will expire on July 15, 1947. The powers which this bill proposes to extend are exercised by the President under the authority of two acts of Congress. The first is familiarly known as the Export Control Act, and the second as title VII of the Second War Powers Act.

I must admit that my study and knowledge of these provisions is of short duration; but during the last 6 weeks I have become convinced that the full scope and implications of these powers are not fully recognized. If the Senate will bear with me for a short time, I shall discuss, as briefly and as simply as I can, the nature of these powers, the method of their present administration, and, in a limited way, their effect upon our domestic economy and foreign policy.

For approximately 6 weeks, a subcommittee of the Judiciary Committee, composed of the Senator from Wisconsin [Mr. WILEY], chairman of the full committee, who gives his valuable aid to every subcommittee, the junior Senator from Oklahoma [Mr. MOORE], the senior Senator from Nevada [Mr. MCCARRAN], and myself, conducted hearings. We heard over 50 witnesses, who gave approximately 1,200 pages of testimony. We endeavored to secure the testimony of every person or association that we thought was interested in this subject. I must say, frankly, that very few of them appeared, and that not too great an interest was indicated by the trade and by the people whose commodities are subject to control.

Addressing myself to the export controls, let me say that the powers which are exercised by the President, are exercised under authority of the act of July 2, 1940, which in its terms gives the President the power to say whether any commodity produced or manufactured in the United States shall be exported. It should be borne in mind that since the enactment of the act in 1940, no limitation has been placed by the Congress upon this power of the President; and today the President can say whether any commodity produced or manufactured in this country shall be exported or shall not be exported. When determination is made that a commodity may be exported, the President can decide what volume of the commodity may be exported, he may determine to what countries it may be exported, and he may prescribe quotas for such countries.

Take, for example, wheat: The President may determine that wheat may be exported; second, that 400,000,000 bushels of wheat may be exported; third, that certain countries, perhaps Great Britain, France, Belgium, and any other countries the President might name—shall receive the 400,000,000 bushels of wheat; and the President can determine the quotas to be allotted to the selected countries.

During the war, at the peak, approximately 3,300 commodities were under export control. By last year that number had been reduced to 750, and today there are 397 products comprising 19 classes, whose control for export purposes is limited.

At this time I should like to have printed in the RECORD, as a part of my remarks, the list of classes of commodities which are under export control. There are some 19 classes of commodities, and the list appears on page 6 of the committee report. I ask unanimous consent that the list of 19 classes appearing on page 6 of the committee report be printed as a part of my remarks at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Meat and meat products; animal and vegetable fats and oils; dairy products; fish and fish products; grains and preparations, including barley, corn, rice, and flour; fodders and feeds; sugar; crude rubber; fibers; building materials; coal; petroleum products; steel-mill products, including tin plate, scrap, steel pipe, wire, nails, and other iron and steel manufactures; copper, brass, lead, zinc, and tin and their manufactures; electrical machinery and apparatus, such as batteries, small motors, and electrical conduits; industrial chemicals and fertilizers; medicinal and pharmaceutical preparations, including streptomycin, quinine, and insulin; pigments for paints and varnishes, etc; soap and toilet preparations.

Mr. COOPER. Mr. President, the list of commodities under export control does not truly indicate the extent of the power. Its extent is more accurately reflected by noting the types of commodities which are under export control and their value. They are basic commodities such as food, coal, lumber, and steel.

Their volume in terms of dollars is indicative of the extent of control. It is my information that after the last war the highest volume of exports from this country, in terms of dollars, was about $8,000,000,000. In 1929 it was $5,241,000,000 which, until 1945, was the largest in peacetime in the history of this country. During the thirties the value of exports decreased to an average of two and a half to $3,000,000,000 a year.

At this time I ask unanimous consent to have printed in the RECORD as part of my remarks the table found on page 6 of the committee report which gives the dollar value of exports during the years 1934 to 1940.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1934	$2,133,000,000
1935	2,282,000,000
1936	2,455,978,000
1937	3,349,167,000
1938	3,094,440,000
1939	3,177,176,000
1940	4,021,146,000

Mr. COOPER. Mr. President, in the calendar year 1946, the total value of exports from this country, controlled and uncontrolled, was $9,800,000,000. The value of exports under control was $2,500,000,000. It is estimated that in this calendar year between fifteen and seventeen billion dollars of commodities will be exported, and that between four and five billion dollars of the total will be under export control and under the power of the President.

I should like to pass for a time to the method by which export control is administered by the President. The act gave him the power to designate any agency of government to carry out his powers. He has designated the Secretary of Commerce, and in the Department of Commerce, in the Office of International Trade, there is a section called the Commodity Branch, which is charged with the administration of the power, including the issuance of licenses to exporters.

To advise the Secretary of Commerce, there has been established an interdepartmental committee known as the Export Control Committee, made up of representatives of various departments of the Government which are interested in products under export control. On the committee is a representative of the

Secretary of Agriculture, interested in food; a housing expediter, interested in building products; a representative of the Office of Defense Transportation, interested in transportation; and representatives of the Department of Commerce, interested in industrial products.

It would appear from this delegation of power to the Secretary of Commerce that he is actually exercising full control over exportable commodities. But the committee found that in practice such is not the case. He does maintain and reserve to himself the power to make decisions with respect to industrial products, but food products, which make up the great portion of the exports, are administered by the Secretary of Agriculture under authority of an Executive order of the President.

Control over the export of building materials is administered by the Housing Expediter.

I should like to point out now, as the preface to a statement I shall make later, that in this respect we found a division of authority and a lack of coordination in the administration of the export of these basic commodities.

I will discuss briefly the method by which the allocations and exports of food are determined. The first organization which deals with the export of food is not an organization of our Government. It is known as the International Emergency Food Council. In 1941 the Combined Food Board was established by the United States and the United Kingdom. In 1942 Canada became a member of the Board, and in 1946, taking note of the fact that food was the great concern of the world, 34 nations, including the United States, formed the International Emergency Food Council.

I ask unanimous consent that the list of nations appearing on page 3 of the record may be made a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Australia, Austria, Belgium, Brazil, Canada, Chile, China, Cuba, Czechoslovakia, Denmark, Ecuador, Egypt, Finland, France, Greece, Hungary, India, Ireland, Italy, Mexico, Netherlands, New Zealand, Norway, Peru, Poland, Portugal, Republic of the Philippines, Siam, Sweden, Switzerland, Turkey, Union of South Africa, United Kingdom, United States.

Mr. COOPER. The office of the IEFC is in Washington. The member from the United States is the Secretary of Agriculture. Its secretary general is Mr. D. A. FitzGerald, from the Department of Agriculture, a very able and industrious man. The organization deals with seven basic commodities—cereals, rice, fats and oils, fertilizer, sugar, cocoa, and seeds.

The organization asks its member countries, and other large producers in the world who do not belong to the organization, to submit to it estimates of production of the commodities named above and estimates of their requirements. From the information a kind of balance sheet is made up, on which is determined the maximum amount countries can export, and the minimum amount of imports countries may receive. Of course, the purpose is to attempt to secure an equitable distribution of the short supply of food in the world. Recommendations are made to the member countries, and if the governments concur, the recommendations become the action of the IEFC.

The Senate should remember that when determination is made by the IEFC of the amount of any commodity this country should export, the Secretary of Agriculture, being a member of the council, and having secured tentative approval from his Government, certainly would believe that there is a moral commitment upon his part to ask the Secretary of Commerce to agree to such allocations. We found that agreement is secured.

I pass now to consideration of the powers which are granted to the President under title III of the Second War Powers Act.

In attempting to draw some distinction between export control powers and the powers exercised under title III of the War Powers Act I point out that under the Export Control Act no direct control is exercised upon individuals upon businesses, or upon producers in this country. All that is done is to determine the exportable quantity of any commodity, and then make allocation for distribution among the nations to whom it is determined exports shall be made.

The powers granted under title III of the Second War Powers Act are of different natures; if Senators will examine the bill which has been submitted, at section 3, page 7, which section relates to the extension of these powers, I can point out briefly their nature.

First, on page 7 reference is made to tin and tin products, manila fiber and cordage, and antimony. The provisions represent the power to allocate within the United States for specific purposes certain commodities which are in short supply in the world and in this country.

Taking tin as an example, the evidence indicated that before the war the total supply of tin in the world was 200,000 tons, of which the United States used over 50 percent, over 100,000 tons. Today the total world production is only 117,000 tons, and the testimony indicated that if we could secure all the tin we could use, we would use 120,000 tons, which is more than the entire world production. Our total supply of tin from all sources, is about 90,000 tons, and to secure its most effective use the President has the right to name the uses for which tin can be employed, and necessarily to allocate it and direct it to certain manufacturers for those uses.

In the case of tin, there not being enough tin for all purposes, it has been determined that tin shall be used for specific purposes, notably in the use of tin plate for tin cans for the packing of foods, and for bearings necessary for transportation and for farm machinery. Having determined what is called the end uses of tin, the supply is then allocated to certain manufacturers, who can use it only for the specified purpose.

A second type of control is authorized in paragraph 3, on page 7, referring to fats and oils, rice and rice products, and nitrogenous fertilizer materials. It is a different type of control. It is the power to restrict imports of these three materials. The argument for justification is based upon three grounds: First, they are commodities which are absolutely necessary and in tremendously short supply in the world; second, that while we do not have all that we could use, we have more than anybody else, and we have a reasonably good supply; and, third, that if import controls were lifted, then, with our dollars, we would be in position to capture and bring into this country a greater part of these materials available in other countries, and thus deprive needy countries of the small supply that they can now purchase.

I shall discuss for a moment fats and oils. I note that the Senator from Ohio is not on the floor at the moment. When he returns, I shall go into that matter again, to further develop the reasons I now advance for the continued control of fats and oils.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. COOPER. If the Senator will permit me to finish this discussion, I shall be glad to yield. Does the Senator desire to ask a question?

Mr. O'MAHONEY. No. I want to secure a copy of the report of the hearings.

Mr. COOPER. I yield.

Mr. O'MAHONEY. I desire to read the hearings upon this bill. I find that they are not printed. Upon finding that to be the case, I thereupon asked the Secretary for the minority to secure a copy of the transcript from the office of the Judiciary Committee. The clerk who responded to the call seemed to be under the impression that the transcript of the hearings could not be sent upon the floor. Therefore, Mr. President, I ask unanimous consent that the Secretary be requested to bring the transcript of the hearings to the floor, in order that I may consult them.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming? The Chair hears none, and it is so ordered.

Mr. COOPER. Turning to fats and oils, the evidence before the committee indicated that the present production of fats and oils in the world, taking into consideration the increased population, amounts to about 65 percent of prewar production. In certain devastated countries, the production amounts to about 20 to 25 percent. In our country we are producing 95 percent of our total prewar production.

There are two types of oils, edible oils, and nonedible oils. We have a surplus of edible oils, and we are exporting about 325,000 tons of edible oils a year. We are importing 375,000 tons of nonedible oils. If import controls should be removed, we would be able to purchase the short supply of edible oils that can be purchased in the world, and thus make it impossible for needier countries to secure the oils they need. Furthermore, if the IEFC continues in operation, the amount we import would be charged

against our total supply, and an increased export allocation of fats and oils would be made to other countries; so it seems in the long run we would gain nothing by importing more fats and oils.

I should like to speak for just a moment about fertilizers, because there has been a great deal of controversy about fertilizers. A great many people give the opinion that there is a great shortage, a lack of production of fertilizer in this country. The evidence shows that whereas, before the war, we were producing about 7,000,000 tons of fertilizer annually, today we are producing 14,000,000 tons of fertilizer. The need arises from the increased demand brought about by improved farming methods and by higher prices for agricultural products.

One valuable type of fertilizer used is nitrogenous fertilizer. The total supply in the world toda: is 2,700,000 tons against a demand for 3,800,000 tons. We have 886,000 tons, of which amount we import 200,000 tons, one-half from Canada, one-half from Chile. If we lift controls and permit the free importation of nitrogenous fertilizer materials we could capture with our dollars the available nitrogenous fertilizer in Canada and in Chile, and thus deprive the rest of the world of needed fertilizer. The importance of fertilizer today is illustrated as follows: We are shipping food to Europe. It has been demonstrated that 1 ton of fertilizer sent to Europe equals 15 tons of food sent by us to Europe.

A third type of power that is granted under the pending bill is indicated in paragraph 4, page 7. Briefly speaking, it gives the President power to give priorities and to require that certain articles be exported to other countries, in order to encourage the production of critical products that we need. To give an example, we are importing tin from Bolivia. If the President should determine that production of tin in Bolivia, and thereby our imports, would be increased by sending steel or lumber to Bolivia, he could order steel or lumber sent to Bolivia under the authority of this paragraph.

Finally, the fourth power which is granted to the President is authorized in paragraph 6, page 7. It is a power which is intended to implement the foreign policy of this country. It gives the President the power to give priority for the exportation of commodities to foreign countries, upon certification by the Secretary of State that such action is necessary for the successful carrying out of our foreign policy. Mr. Acheson, in testifying before the committee, gave this example: He said that in undertaking the program of rehabilitation now started in Greece it is known that it will be necessary to repair a certain bridge, in order to make available an entire railroad, necessary to the transportation system of Greece. This paragraph would give the President the power to send to Greece for that specific purpose that necessary amount of steel. I think the short summary of the powers which I have indicated here should give us some notice of the extent of these powers. They are broad powers. They are very extensive powers.

We have heard a great deal lately about high prices. We cannot fail to take into consideration the effect that the control of $4,000,000,000 to $5,000,000,000 of commodities is having upon prices in this country. We have a surplus of wheat and coal and other commodities. As export controls are opened, the surplus moves and prices are higher. If controls are tightened, the surplus is freed, and prices drop. It is a form of price control. It affects production and supply, and it still imposes certain limitations upon free enterprise and upon individual enterprise. It is a type of control we do not want. Yet, after hearing all the testimony, the committee recommends that these great powers—and they are great powers—be extended for 1 year until June 30, 1948.

Not all members of the subcommittee agreed to that recommendation, but it was the finding of the committee. We based our finding upon these facts. First, we believe it is necessary in order to protect the domestic economy of the country. We recently had an illustration of public opinion when controls were lifted, and that illustration came with respect to petroleum. There were no controls upon petroleum. It was found that petroleum was being exported to Russia, and immediately there arose the demand that controls be reimposed on petroleum.

Wheat today is selling in the United States for $2.25 or $2.35 a bushel. In the Argentine it is selling for $4 to $4.50 a bushel. World production today is estimated to be 5 percent less than normal production, but the population of the world has increased approximately 10 percent over the prewar population. The United States is producing 40 percent more food than it did before the war. If controls were lifted from food products needy countries would certainly come to this country and secure all the food they were able to buy and would lessen our supply, and domestic prices would rise.

Second, the committee recommends the continuance of controls because we believe they are necessary to our foreign policy. Last year the United States exported fourteen and a half million tons of cereals, as compared to the annual average of one and a half million tons before the war. Under our obligations to occupied territories we sent five million tons of cereals to Germany and to Japan.

We have recently voted $350,000,000 for relief purposes in Europe, and if the relief program is to be carried out, if our obligations in occupied territories are to be carried out, we must be able to secure the food and the wheat and to send them to those areas where we have made commitments. We must be able to do what we say we will do, at the proper time.

A great deal is being said about a program of rehabilitation for western Europe. If it materializes it will be necessary to assure the export of needed commodities to the proper areas. Export control gives the Government the power to direct exports to the countries to which we want exports to go.

Mr. President, if we do not have controls, countries possessing dollars, notably some countries in South America, Russia, and Spain, would have the opportunity to buy our exportable surpluses to the disadvantage of the countries we want to help, to the disadvantage of countries to whom we have obligations. Upon the above considerations we recommend extension of control.

Before I close I want to point out some errors in the administration of the acts that we believe should be corrected. First, we found that there was not any adequate consultation with private industry and the trades. We recommend that if controls are continued, procedures be adopted to secure the advice and consultation of private industry.

Second, there was a great deal of complaint about licensing procedures. Licenses now are granted upon the basis of 85 percent to the historical exporters, those who exported before the war or in war years, and 15 percent to new exporters. There was complaint that this ratio does not make adequate provision for new businesses. It is an arbitrary division, but we recommend that it be reviewed and that every effort be made to secure a more adequate distribution of licenses among exporters.

Mr. SMITH. Mr. President, will the Senator yield for a question?

Mr. COOPER. I should like to finish. I will finish in a few minutes.

The PRESIDING OFFICER. The Senator declines to yield at this time.

Mr. COOPER. A more important criticism was directed to the fact that country allocations of steel, lumber, and several other basic commodities have not been made. One argument advanced by the Government for the extension of control was to preserve the power of the Government to direct which are in the greatest need and which are important to our foreign policy. Yet we found that with respect to steel the policy of the Government was to make a determination of the total amount that could be exported, and then let the whole world come and bargain and compete for the available amount.

We were not able to secure very much testimony upon steel, but the able and distinguished Senator from Pennsylvania [Mr. MARTIN] had conducted extensive investigations upon that subject. He appeared before the committee. He made a report of his findings, and in every instance we have found his findings correct. He made recommendations as to certain procedures that should be adopted by the Department, and we have said in our report that the Department should take his recommendations into consideration.

Steel is selling for about $65 a ton upon the domestic market. Yet by this practice of nonallocation, countries to whom we have loaned money and to whom we have granted money must come into this country and pay $125 and $135 a ton for steel, bargain with each other, bargain with nations who are not as friendly to us as the nations to whom we have loaned or granted money, and as a result the money which we have loaned or granted is being used up quickly, at the expense of the American taxpayer.

Another complaint that was made was concerning the Government policy of

wheat procurement. Strong representations were made by the trade that the trade should be permitted to procure wheat for export. After full consideration of the arguments, the committee did not change the present procedure.

In the bill we do attempt to set out the details of administration. We do make certain recommendations in the committee report.

However, the basic weakness of the present administration, in the opinion of the committee, lies in its division of authority. Although the President has delegated the power to the Secretary of Commerce, he is only exercising his power with respect to industrial products. The power to make decisions with respect to food is exercised by the Secretary of Agriculture. With respect to housing materials it is exercised by the Housing Expediter. If a controversy should develop between the various agencies of the Government as to a proper course of action the Secretary of Commerce should make the decision. Because we believe that the problem of controls is a basic one, and because we believe that the control of $4,000,000,000 or $5,000,000,000 of commodities is one of the major factors in price increases in this country, we first proposed that definite responsibility for administration should be fixed. We proposed that an Administrator of Exports and Imports should be nominated by the President and confirmed by the Senate, and that full authority be given to exercise power and control. I am convinced, after consultation with committees of the House, that the House will not agree to the provision; but so strongly do I feel upon the question I shall offer an amendment which will require the Secretary of Commerce to exercise the control and authority delegated to him.

To explain the difficulties which could arise from a lack of unified authority, I make this observation: As I have previously stated, the Secretary of Agriculture in actual practice makes the final determination as to the amount of food that shall be exported from this country, the countries to which the food shall go, and the quotas allotted to them. The War Department has an interest in the food that is to be exported, because it is the responsibility of the War Department to make provision for our occupied zones. The Secretary of State has an interest in the food supply, because it is his responsibility to administer the $350,000,000 relief program. Under the present practice there is the possibility of three competing claims for our supply of food; and, so far as we could learn, in case of conflict no one other than the President would make a final decision. I think it is very importan that someone be charged with the full responsibility of exercising authority.

I give one further example. We learned in the hearings that there is a shortage of some petroleum products in the country. There is a shortage in this country of pipe; and according to the evidence a part of the petroleum shortage arises from the fact that there is not enough pipe to increase domestic petroleum production. It was also brought out that in certain sections there will be a shortage of gas this winter, arising from the fact that pipe lines cannot be constructed because of the shortage of pipe. These matters are of great interest to our domestic economy. On the other hand, it was developed that supplies of pipe have been exported to foreign countries to stimulate the production of oil in those countries from which we expect to import. There was some evidence that that had been done to the detriment of our own domestic situation. If these claims are conflicting, some officers of this Government should have the power and responsibility to resolve them. I regret we could not find out that there is anyone today who would make such a decision, other than the President himself.

I believe that the program deserves greater coordination than it has been receiving.

In all fairness, however, I wish to say that in our hearings there did not develop any indication of red tape. We believe that the Secretary of Commerce, the Secretary of Agriculture, the Secretary of State, and those under them have generally administered the program with as little interference with enterprise as is reasonably possible under a system of controls. This statement, made in fairness, does not detract from the argument that specific responsibility should be placed upon an official of the Government.

Mr. President, I should like to offer several amendments to the committee amendment to Senate bill 1461.

The PRESIDING OFFICER. If the Senator from Kentucky will offer them one at a time, they will be disposed of in that way.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Perhaps the Senator has discussed this question, but I wonder what, if any, information he or his subcommittee may have as to the amount of stored fat meat in this country at the present time.

Mr. COOPER. I have such information.

Mr. HICKENLOOPER. I should be glad to have the Senator give us the information, and tell us what the situation is with regard to the storage and movement of that commodity.

Mr. COOPER. A few minutes ago the Senator from Ohio [Mr. TAFT] asked a question about the number of witnesses who opposed continuance of controls upon fats and oils. I was in error in my statement when I said that only one witness opposed continuation. Upon examination I find that there were three. One was Mr. Gordon, to whom I have referred. Another was the representative of the Armstrong Cork Co., who objected to the control of linseed oil. The third was a packer named Mr. Behrman. His objection was directed to the price of lard, and the fact that export controls had resulted in the retention in this country of too much lard.

Mr. HICKENLOOPER. I have been informed—although I have not the statistical facts to bear it out—that in this country we have a tremendous storage of lard and what we call fatback, from pork, and other food products which are being held in storage, far in excess of demand. I am informed that export licenses are refused for the export of such material, and that it continues to pile up. I understand that the storage space is full at this time.

Mr. COOPER. After Mr. Behrman testified I asked for statistics from the Department of Agriculture. I have the following information as to lard stocks, in millions of pounds, for certain prewar years. For the year 1935, as of June 1, 90,000,000; 1936, 100,000,000; 1937, 194,000,000; 1938, 124,000,000; 1939, 130,000,000. The amount shown in storage as of June 1 this year is 149,000,000 pounds, which is in balance with the amounts in storage in prewar years. I think the objection grew out of the fact that the price of lard had dropped from about 30 cents a pound to 19 cents a pound. However, it is still much higher than it was before the war. I talked with representatives of the Department of Commerce after this testimony was heard, and the impression I gained was that export controls upon lard would be relaxed so as to permit a larger amount to go out of the country.

Mr. HICKENLOOPER. Mr. President, I thank the Senator for this information, but I am of the impression at the moment that in the prewar years we had a surplus of lard which caused the continuing mounting supplies. We did not have sufficient outlets for the lard or for the fat portions of the hog. At the present time, according to information which I have just received, we have a vast demand all over the world for fats of this kind, not only for lard but for the fatty parts of the hog carcass, and the controls are being so exercised that the products cannot be taken out of storage and shipped abroad, even though there is a great demand and even though we have an excessive amount in this country over and above our needs or reasonable demands. I do not have all the statistical facts to enable me to go further than to say I have been informed that that is the situation.

Mr. COOPER. I will say to the Senator that all the information I have is that which I have given.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Does not the Senator think that it is a peculiar policy to refuse exports of lard, a commodity so badly needed? I am told that British and Scotch sailors coming to this country take back large quantities of lard bought in the stores in New York, because it is so much in demand, yet at the same time we impose import controls in this country on other kinds of fats and oils which apparently they are not so anxious to obtain. It seems to me that we ought to release our export controls and not try to impose import controls in the United States. Let us buy the things that are available around the world and then be more liberal in letting others buy things in this country which they can buy. I do not understand the logic of the fats and oils situation in the United States today.

Mr. COOPER. The Senator was out when I addressed myself briefly to the

question which he had previously asked. My opinion about fats and oils is based upon the following facts: I stated that from the evidence we had heard there is a tremendous shortage of fats and oils in the world. This country is producing about 95 percent of the volume it needs for domestic consumption. We are actually exporting 325,000 tons of edible oil. There is a surplus of edible oil. There is a shortage of nonedible oil, and we are importing 375,000 tons of nonedible oil. The argument is made that if import controls are lifted it will permit this country to capture with its dollars the short supply of oils that are free in the world and thus make the condition of other countries with respect to need of fats and oils even more difficult.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. Is it not a fact that part of the program is to place dollar exchange in the hands of other nations of the world, and if we increase our purchases of nonedible oils which we need, would we not increase the dollar exchange in the hands of some other nation?

Mr. COOPER. We would; and I will point out some of the nations whose dollar exchange would be built up. Among them would be Argentina, Spain, and Russia, who have dollar exchange and products we need. At the same time we would be depriving such countries as France, England, Italy, the occupied zones, and other countries needing fats and oils, of supplies they can now receive.

Mr. HICKENLOOPER. If the Senator will yield again, this information has come so recently that I cannot document it at the moment, but if we have 140,000,000 pounds of fats or lard on hand, or whatever the amount may be, it is greater by a considerable amount than the prewar storage. I cannot see why we cannot release a substantial amount of it and send it especially to those countries which are short in their diet and those which need edible fats and oils. I cannot follow a policy that clamps on export controls at this time, when the commodities are merely taking up storage space in this country, and could be used abroad to great advantage.

Mr. COOPER. I think the Senator is speaking of the administration of the law. The export of lard is permitted. The trouble lies in the fact that not enough lard is being exported. That is the complaint. It is a matter of administration. We are informed that the exportable quotas of lard are being increased. I certainly believe that reasonable increases should be made.

Mr. HICKENLOOPER. I think it would be encouraging if we did that. Whether it is the administration of the law or not makes little difference. Edible fats thus far have not been getting to the people who need them. We could send them at least the surplus.

Mr. COOPER. I have pointed out that the cold-storage holdings on June 1 of this year are in line with cold-storage holdings in the years before the war.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. They are not particularly in line. They are larger than in any prewar year except 1937, when there was a tremendous surplus of everything, because there was another depression. They are actually abnormally high. Yet we hang onto them. We say we will restrain ourselves from buying inedible oil, which is used for soap or some other purpose. Our restrictions on oils apply almost entirely to inedible oils. We are limiting countries as to inedible oils.

Why single out oils? Why not meats? Why not restrain ourselves from buying meats from Argentina or anywhere else in the world? Why this peculiar rule about the imports of fats and oils and linseed oil? There is a shortage of paint in the country. Why should we refuse to permit the importation of linseed oil which people want to buy in order to build houses in this country? I cannot understand the logic behind the present policy of the administration on that question.

Mr. COOPER. In answer to the Senator from Ohio as to the amount of lard in storage, he will note that the average for the years I have given was 142,000,000 pounds as against 149,000,000 pounds this year.

Mr. TAFT. But this is a time when the whole world is short of fats. Our stocks are down to the very limit in every respect, but still there is a tremendous surplus of lard, larger than in the 1930's, except in 1937, when there was a large surplus.

Mr. COOPER. I will agree with the Senator that the holdings on June 1 were too high, but I do not see that that is an argument for the removal of export controls on lard. I think it is an argument for loosening up export controls on lard.

Mr. TAFT. My suggestion is that if we did not make imports, then the administration would be forced to be more liberal as to exports; and the result would be to take things where they were wanted instead of where some official of the Government seemed to think they ought to be. That is my reason for saying that we should take off the controls on imports. I think that will lead necessarily to a more liberal handling of export controls. I am afraid that export control is necessary. I agree with the Senator on that.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I should like to answer the Senator's question first.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. COOPER. I think all import controls on fats and oils should be continued for the present. I base my position on the ground, first, that there is a tremendous shortage of fats and oils in the world. Allocation of the available export surplus of the world has been made. If import controls were removed, it would mean that this country, with its supply of dollars, could capture the supply of fats and oils that are needed in needier countries throughout the world.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. TAFT. Is it not true that most countries impose export controls anyway? Are not there only a few countries where we could buy without regard to such controls, and where we have always bought before?

Mr. COOPER. We can buy from Argentina and Spain.

Mr. TAFT. Yes, and from the Philippines and a few other countries; and the supplies we would obtain from them would add particularly to our requirements, and would not interfere with the efforts of other countries to obtain the fats and oils they need.

Mr. COOPER. I do not think so, because in Argentina a certain amount of fats and oils can be exported, and that amount is free to the world now. If we were permitted to obtain as much as our dollars would permit us to purchase, the probability is that we would obtain the full supply, or most of it.

Another consideration is that if we are to follow a system of equitable distribution of the available supplies of food in the world, then to some extent, at least, we shall have to follow our commitments with the IEFC. The evidence indicated that it is very difficult to secure commitments by the various countries; and if we are the first to disregard our commitments, I doubt that in the future we would have much success in securing agreements for the equitable distribution of food in the world. I think it to be a very important consideration that we abide by our commitments.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. JOHNSON of Colorado. In order better to understand the workings of the bill, I should like to ask the Senator how the exportation of beans is to be controlled under the pending measure. In other words, under the present arrangement, the Department of Agriculture determines the amount of beans that we can export, and then the Department of Commerce issues licenses to the shippers. The State of Colorado produces a considerable quantity of beans. Our difficulty is in regard to the allocation of the licenses. We find that when we apply for the right to export beans, we are told that we do not have a traditional, historical background, and that shippers in some other part of the United States have established their right to ship beans; and therefore they get that right, and we do not; we are denied a license.

How is that matter to be handled under this bill? Is there to be any change in that procedure?

Mr. COOPER. I stated a while ago that no attempt has been made in this bill to prescribe the details of administration. We believe that the first question is one of policy, namely, whether the controls should be continued. Having decided that export controls should be continued, it seems to me it is the responsibility of the Government in exercising the power to see that it is exercised fairly and equitably. I do not see how it would be possible under a bill to set up quotas as between various types of exporters, and to provide for all the

details. It seems to me that we must place that responsibility on some agency of the Government, and then must see that the responsibility is properly carried out. There is no excuse for the failure of any agency of the Government to discharge its responsibility.

In our report we call attention to the problem to which the distinguished Senator has referred, and we suggest that efforts be made to correct the situation and provide a more equitable system of licensing.

Mr. JOHNSON of Colorado. Then the answer is that there has been no change in the procedures in regard to the exportation of such commodities as beans?

Mr. COOPER. Not so far as the bill provides.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THOMAS of Oklahoma. I should like to say to the Senator from Colorado that later on I shall introduce an amendment in an attempt to remedy the defect which he has pointed out.

In the 1944 reconversion bill there is a section which the courts have held to be good, but the Office of International Trade refuses to abide by that section of the law, and claims that it is not bound by it.

At the proper time I shall offer an amendment incorporating in this bill subsection (b) of Public Law 458, known as an act to amend the Social Security Act, as amended, relating to the Office of War Mobilization and Reconversion. I am simply trying to carry forward in this bill what is in the law in another place, and it should have uniform application.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. Mr. President, first I should like to submit some amendments to the committee amendment. I send them to the desk, and ask that they be stated.

The PRESIDING OFFICER. The first amendment to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 6, line 9, after the date "1947", it is proposed to insert "and Public Law No. 145 approved June 30, 1947."

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Kentucky to the committee amendment.

Mr. COOPER. Mr. President, the first amendment I have submitted to the committee amendment merely takes into consideration the resolution which was passed a few days ago, extending controls until July 15. The purpose of this amendment to the committee amendment is to prevent any hiatus or lapse of controls under that resolution and until the enactment of this act.

Mr. O'MAHONEY. Mr. President, before we proceed to the consideration of amendments, I think a little opportunity should be afforded to some of the Members of the Senate to discuss the bill in general. I wished to ask the Senator from Kentucky some questions during the presentation of his outline of the bill, but it was his desire to be permitted to complete his statement without interruption.

Therefore, before we proceed to the amendments, I should like at this time to address one or two inquiries to the Senator from Kentucky.

The PRESIDING OFFICER. Does the Senator from Kentucky yield for that purpose?

Mr. O'MAHONEY. Mr. President, it is not a question of yielding. I wish to have the floor in my own right.

The PRESIDING OFFICER. The Senator from Wyoming has the floor in his own right. The Chair was merely making inquiry of the Senator from Kentucky as to whether he wished to yield so as to answer the questions of the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, let me say that if I have the floor the Senator from Kentucky cannot yield. He may answer or not answer, as he pleases, the questions I ask. Of course, I am sure he will answer my questions.

The PRESIDING OFFICER. That is exactly what the Chair was trying to determine for the Senator from Wyoming.

Mr. O'MAHONEY. Very well.

Mr. President, I merely wish to obtain a precise understanding of what we are doing when we pass this bill. I point out that when I came to the Senate this morning to listen to the discussion of this bill I first sought to obtain a copy of the hearings, but I found that no printed hearings were available. Therefore, it was impossible for any Member of the Senate who was not a member of the subcommittee, or who did not attend the hearings, to know what was said by any of the witnesses, either for or against the bill.

I then sent for the transcript of the hearings, which was received only a few moments ago.

I feel that the country should have the advantage of having printed hearings available because this bill is of tremendous importance. It deals with the vesting in the executive branch of the Government of control over the activities of its citizens who are engaged in the export and import of necessary commodities, and therefore it deals with the interests of every citizen of the country with respect to commodities which are to be controlled. Its economic effect is very broad.

I feel that the Senator from Kentucky [Mr. COOPER] is entitled to a great deal of praise for the close study he has given the measure. I have followed with much interest his exposition of what is sought to be done. He displays great familiarity with the problem, and I have nothing but praise for him. Nevertheless, the matter is of such great importance that I hope the committee will undertake to see that these hearings are printed, because otherwise the debate which is taking place here will be inadequate information to the people of the country with respect to what we are doing.

Let me say, for example, in one particular, Mr. President, the impression prevails in a great many quarters, if one is to judge from editorial comment in the press and on the radio, that the exports which the United States is making are being made by the Government as an exporter. A case in point is the recent publicity with respect to the exportation of petroleum to Russia. The very definite impression was conveyed in the public press that the Government of the United States, as a government, was giving or selling oil to Russia in pursuance of some Government policy to aid the Soviets, whereas the fact is that whatever oil was exported to Russia is being sold to the Russian purchasers—and that, of course, means the Government of Russia—by the private producers of petroleum products in this country and not by our Government. Petroleum has been purchased in California by the Russians for a long period, from private producers of petroleum, from private refiners, not from the Government of the United States; and whatever petroleum is exported to Russia now is being exported by private enterprise. The control which will be exercised under this bill will be a control of the right of individual free enterprises to export their own products.

Mr. LUCAS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Wyoming yield to the Senator from Illinois?

Mr. O'MAHONEY. I yield to the Senator.

Mr. LUCAS. I am glad the Senator has brought out the point with respect to petroleum, because, just recently, I read an article in one of the newspapers, in which the writer made the statement, or at least made the implication, so that anyone reading the article would infer, that the Government, with respect to oil now going to Russia, was doing the same thing we did previous to the war with respect to scrap iron and oil that we sent to Japan. Of course, the Senator knows that up to the time the Government finally stopped the selling of scrap iron and oil to Japan, it was purely a question of contracts between individuals and industries in this country and the people of Japan. It represented the working of free enterprise.

Mr. O'MAHONEY. Precisely. If anybody was to be blamed for the export of scrap iron to Japan, it was those persons who gathered the scrap iron and sold it; with this exception, that if as a matter of public policy the people of the country had come to the conclusion that the exportation of scrap iron to Japan should be stopped, then it was necessary for the Government, through Congress, to pass a law forbidding its nationals to engage in a trade in which they were normally entitled to engage. So, when we undertake now to say that oils shall not be exported to Russia, it ought to be clear in the public mind that what we are doing is to empower the Government to regiment American exporters. I use the word "regiment" because there has been so much criticism abroad in the land about what we call Government regimentation. It is regimentation, of course, when the Government of the United States or any government undertakes to prevent its citizens from following any course of activity which under

a normal economy they are entitled to pursue.

During the war, because it was necessary for us to conserve all commodities that were usable in the war, we imposed export controls; but the War Powers Act, which was extended by the last Congress in certain limited ways, now results in controls over less than 20 percent of the commodities which were controlled during the war. When we extended this act last year, it was extended for the express purpose of enabling the Government so to manage our export trade as to conserve our own production and bring back to the United States commodities that were essential to the carrying on of our domestic economy.

Let me give an example with respect to the motor car industry. All the automobile manufacturers of the United States agree today that they are incapable of turning out automobiles enough to meet the current demand. We are falling short of the domestic demand for automobiles probably by several million units. One of the reasons for this lack of production of automobiles is the shortage of lead and tin and antimony, to say nothing of steel. Export control therefore gives the Government bureau in charge of the matter the opportunity to grant exports to those countries which are most likely to produce the commodities which we need. We need tin from the Malayan area, and so we grant exports to Malaya in order to get back the tin which is produced there and which we so badly need. It is better to export, in other words, our commodities out of our limited supply—and it frequently is limited—to the countries which can produce a commodity of which we find ourselves in great need. That is the principle upon which this act has been operating and on which it will continue to operate if extended.

In section 3 of the bill, on page 7, there are listed several of these commodities of which I speak—tin and tin products, manila fiber, antimony, and so forth. If for example we are able to export food or clothing to an area which is producing any of these materials of which we are in great need, that is to the advantage of the United States, and its general economy.

The Senator from Pennsylvania very correctly pointed out, and I think his memorandum is in the report, that one of the reasons why we in the United States now are in danger of a shortage of petroleum and petroleum products is that we are lacking in the steel with which to provide the facilities for transporting petroleum and for storing. If we could increase our steel production capacity—and it is being somewhat increased, I understand—then it would be much easier for us to obtain our petroleum supplies from our own domestic resources within the United States.

The important fact, Mr. President, to which I desire to draw the attention of the Senate, is that which I mentioned first, namely, that when the Government of the United States, even with this law in effect, permits the export of any commodity it is permitting American citizens to sell their own property abroad, and when it prohibits exports of any commodity whatever, then the Government of the United States is prohibiting American citizens from selling abroad commodities which they own. That is, of course, an example of the managerial concept of government, but it cannot be avoided, because if we did not clothe the Government with these powers, then the higher world price, the inflationary conditions which exist abroad, would draw inevitably a larger proportion of our production out of the domestic market away from citizens here, and thereby would increase the prices we have to pay.

For that reason, Mr. President, again I say I compliment the Senator from Kentucky on the presentation he has made. I feel that the extension of the act for another year is essential. If we can set any standards in the bill by which the discretion of the Administrator can be controlled, so much the better. But the country ought to understand and the Congress ought to understand that these exports which are going abroad are not the exports of the Government making gifts to foreign countries.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. JOHNSON of Colorado. I should like to ask the Senator if he can think of any remedy for the situation I shall describe. In Wyoming and in Colorado there are many persons engaged in growing beans. They have them ready to market. They find a ready and anxious market in Cuba for their beans. But when they try to secure a license to ship the beans which they have produced they are confronted with the reply, "Well, some broker in New Orleans," or in some other seaport, "has been shipping beans. He shipped beans to Cuba prior to the war. Therefore we are going to give him the license to ship beans, and we shall deny it to you." Is there any way out of that dilemma? It seems to me that to hold the exportation of any commodity down to an historical exporter is doing an injustice to some sections of the United States, and a very serious injustice has been done to the bean merchants and the bean producers of the States of Colorado and Wyoming.

Mr. O'MAHONEY. The Senator from Colorado is quite right. I think the committee in reporting the bill has criticized the application of that historical basis. But it is a theory which has been applied in other fields. For example in the Sugar Act the quotas for each producing area were based largely upon the history of the respective areas in the production of sugar, but we have always fought to preserve a leeway so that new producers might be recognized. I think it would be very well to add to the bill an amendment which would direct the Administrator, whoever he may be, that in the application of this historical theory, provision should be made for the recognition of the right of new producers of any commodity to export it. I think it would be a very simple matter. I ask the Senator from Kentucky if consideration was given to such an amendment by the committee.

Mr. COOPER. During the testimony a great deal of testimony was directed to criticism of the arbitrary division of 85 percent of controlled exports to historical exporters and 15 percent to new exporters. First, I believe that there are court decisions to the effect that such arbitrary divisions are illegal. For this reason, and for the further reason that it is a question of administration, we do not attempt to provide in the bill that any change shall be made in the 85–15 percent ratio.

Second, the following facts were brought out in the hearing. In this year it is estimated that exports will approximate $15,000,000,000 to $17,000,000,000 in value. Controlled exports will amount to about $4,500,000,000. There is a field between the $16,000,000,000 and the $4,500,000,000 of approximately $12,000,000,000 of exports which new exporters can enter if they desire. The proof we heard in committee was to the effect that the new exporters would not go into the field of uncontrolled exports because it is one of keen competition, where profits are not certain. It was stated that the new exporters want to go into the field of controlled exports where the profit is certain and sure.

Mr. O'MAHONEY. The Senator may have read in the current press the story which is now being published concerning the mule buyers who were seeking to buy mules in the United States to export to Mexico. After they had expended considerable sums out of their private capital to buy mules they suddenly found that the Government of Mexico had made an exclusive contract with a particular mule dealer, so their purchases were no longer available to them for profit, because the Government of Mexico would not purchase from them. That is precisely the same situation as exists here, except upon the other foot, because, unless an export license is granted by the Government of the United States, no exporter may sell abroad, whether or not he has a market, and the historical theory has resulted in the fact that only those persons who in some period in the past were engaged in the export business are given the license to export now. That, of course, creates a closed economy and prevents new owners, new producers from coming into the market. Therefore it seems to me there ought to be a provision directing the administrators of this act to recognize these new domestic sources of production which make application for export licenses. It should not be within the exclusive jurisdiction of any administrative official to exclude from export any citizen of the United States who possesses a commodity which is in demand abroad.

With respect to the question of the Senator from Colorado [Mr. JOHNSON], it is my understanding that no export license is now required for the exportation of beans, so that our Colorado and Wyoming producers are not being restrained.

Mr. JOHNSON of Colorado. Mr. President, that clears the matter up. However, the able Senator in charge of the bill [Mr. COOPER] said a moment ago that no changes in procedures in the exportation of beans have been written into the pending measure. The Department of Agriculture classifies beans as grain. The world trade refers to beans as "pulses," which is an old trade name for

beans, however, so far as this bill is concerned, beans are grain.

Mr. COOPER. Mr. President, I agree that there is evidence of abuse in the division of exports between historical exporters and the new exporters. But the argument was made that the historical exporters are those who exported before the war and who will continue to export when the present extraordinary situation is ended. They are the ones who have built up trade in foreign countries. They have trade names which have brought business to our country. I do not think there is any question that some of the new exporters will remain in the business only while the business is good. The proof offered before the committee indicated that some are in the business for quick profits because they refuse to enter the field of uncontrolled exports where they must face keen competition. They want to stay in the field of controlled exports where the profit is sure. We believe, however, that the entire situation should be reviewed and the most equitable plan developed.

Mr. O'MAHONEY. Why should there not be a provision in the bill to the effect that not to exceed X percent of any commodity to be exported will be available to new producers or new exporters?

Mr. COOPER. Is the Senator suggesting that we should fix a ratio in the bill?

Mr. O'MAHONEY. Yes; I am asking why it should not be done.

Mr. COOPER. I would certainly be opposed to that, because I do not think we are in a position to determine any ratio between exports.

Mr. O'MAHONEY. Then the Senator recognizes, of course, that he is delegating to the administrative officials the right to determine from time to time who shall do the exporting. It may be that that is the policy which ought to be followed. I do not attack that policy, except to say that it does exclude certain producers in the United States. It may be that the authority ought to be completely discretionary. But we must recognize when we pass the bill that we are giving discretionary authority.

I agree with the Senator. I was a member of the Committee on the Judiciary in previous Congresses when this matter was under consideration, and it was the conclusion of our committee at that time that there was no abuse of the discretion. No abuses had been presented to the committee. Nevertheless, we are now out of the fighting war, and we are endeavoring to get back upon a peacetime basis. So the more we do to return to normal practices of trade in the export business the better it will be.

The Senator from Oklahoma [Mr. THOMAS], I understand, is going to offer an amendment which has to do to some extent at least with this subject.

Mr. COOPER. I thank the Senator from Wyoming for his remarks.

Mr. O'MAHONEY. The Senator agrees, does he not, with the correctness of my statement that the controls which are imposed by the bill are controls upon private citizens of the United States in the exercise of their right to export property which is in their care?

Mr. COOPER. I think it is a very lamentable fact that the Senator's statement is true. I think it is a control upon the economy. I think it is, in effect, a price-control system.

Mr. O'MAHONEY. And that the exportation which is allowed under the provisions of the bill is the exportation in major part—except by Federal agencies like UNRRA and the others when they were in existence—by private citizens of their own commodities? Is that correct?

Mr. COOPER. It is a limitation on all the commodities exported from this country.

Mr. MAGNUSON. Mr. President, I simply want to point out to the Senator from Wyoming that what he said regarding the abuse of the licenses is correct. One of the reasons which actuated the Senator from Kentucky in taking the control out of the Department of Commerce and setting up a separate administrator and placing discretion within that administrator, requiring him to report to Congress and to the President, was the hope that there would not be the abuses which now exist.

I do not know whether the testimony will show it or not, but many exporters, and many who are not exporters, obtained licenses and peddled them. It became a racket. They would obtain a license, for example, to export 20,000 cases of salmon. They would hold them as long as they wished. They would hold them until the price was right and they could make the biggest margin of profit. Although we cannot set a fixed formula, it was hoped that by placing the control under a separate administrator, a better result could be obtained.

Mr. O'MAHONEY. That abuse is an abuse by the exporter, and not by the Government.

Mr. MAGNUSON. That is correct.

Mr. O'MAHONEY. It would be perfectly simple to provide by an amendment to the bill that an export license which was not exercised within a given period should lapse, so that thereby it would be impossible for any person to whom a license was granted to sell the export license for a speculative profit. If the Senator was a member of the committee, I suggest to him the consideration of the submission of such an amendment.

Let me also add that the establishment of a single administrator raises in my mind the question whether or not that might have the effect of impeding the carrying out of these powers by placing in the hands of one administrator powers governing industrial exports as well as agricultural exports. I think, for example, that control over agricultural exports may well be carried on by an official in the Department of Agriculture, because the Department of Agriculture, in reason, is better qualified to know what the food situation in the world is; whereas, with respect to industrial products, it might be wiser to have the control in the hands of someone in the Department of Commerce.

I merely make the suggestion. No doubt it will be discussed when the amendment is proposed. If I correctly understood the Senator from Kentucky, it is his purpose to offer a modification of the committee amendment with respect to the Administrator. Am I correct?

Mr. COOPER. The Senator is correct.

Mr. MAGNUSON. It was a most difficult thing, of course, to lay out a blueprint as to what amounts should be for new exporters. So it was thought that if we placed responsibility on one man and give him wide discretion, we might clean up some of the existing evils under the present system.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

Mr. REED. Mr. President, I ask the indulgence of the Senator from Kentucky and of the Senate. I have a very brief amendment to offer, and would like to have the Senator from Kentucky give it his immediate consideration. I am chairman of the Independent Offices Subcommittee of the Committee on Appropriations. I have a controlling appointment at 2:45. I send to the desk an amendment which I wish to offer, and ask that it be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 8 in the committee amendment, between lines 3 and 4, it is proposed to insert the following new paragraph:

(7) The use of transportation equipment and facilities by rail carriers, but only until January 31, 1948.

On page 8, line 17, it is proposed to strike out "or be construed to continue beyond June 30, 1947, any authority with respect to the use of transportation equipment and facilities by rail carriers."

Mr. REED. Mr. President, the purpose of the amendment, which I have discussed with the Senator from Kentucky, is to extend the powers of the Office of Defense Transportation until January 31, 1948. Normally I would be most reluctant to extend these war powers. The thing which makes this amendment desirable—and, in fact, necessary—is the tremendous shortage of freight-car equipment. The whole Nation was aware last year of the shortage of freight cars, especially boxcars. The situation this fall will be worse than it was last fall.

The only purpose of the amendment—which, I may say, was asked for by the President of the United States and the Interstate Commerce Commission—is to keep the Office of Defense Transportation in a position where it can act speedily if the allocation of an insufficient and inadequate supply of freight equipment.

I hope the Senator from Kentucky will accept the amendment.

Mr. COOPER. Mr. President, so far as I am concerned, I accept the amendment.

The PRESIDENT pro tempore. Does the Senator from Kentucky withdraw his amendment temporarily, so that the Senate may consider the amendment offered by the Senator from Kansas?

Mr. COOPER. I withdraw my amendment temporarily.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. REED] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. Does the Senator from Kentucky continue to withdraw his amendment for the purpose of considering the amendment of the Senator from Massachusetts?

Mr. COOPER. I withdraw my amendment.

The PRESIDENT pro tempore. The amendment offered by the Senator from Massachusetts will be stated.

The CHIEF CLERK. On page 7 in the committee amendment it is proposed to strike out lines 3 and 4, as follows:

(2) Manila (abaca) fiber and cordage and agave fiber and cordage.

Mr. SALTONSTALL. Mr. President, this amendment is on page 7, and it strikes out subparagraph (2), the words being "Manila (abaca) fiber and cordage, and agave fiber and cordage."

This amendment was adopted in the House in a bill similar to the bill which we are considering at this time. As I understand, there was considerable uncertainty in the minds of the committee as to whether or not manila fiber and cordage should be included in continuing controls. My purpose in offering this amendment is to relieve these raw materials from further control by the Government.

My interest arises because the largest manufacturer of baler twine is in Massachusetts. The same manufacturer is the second largest maker of binder twine and the largest manufacturer of rope in the country.

As I understand, the situation at the present time is that the Government has continuing controls on the purchase of raw fiber from Mexico and from Haiti. It has freed from controls the purchase of fiber in Portuguese East Africa and the Philippines.

What happens is this: The fiber which comes in from the Philippines and from Portuguese East Africa free from control can be used for any purposes for which the manufacturers desire to use it. The fiber which comes in from Mexico and Haiti is brought in by the Government and allocated to the various manufacturers. The control of the end products of those manufacturers is exercised by the Government.

The interest that we all have so far as twine is concerned is in the question whether or not the farmer will get all the baler and binder twine he needs. I point out to the Senator from Kentucky and other members of the committee that the twine for farming purposes for the calendar year 1947 is already made. The only effect that continuing controls can have with relation to binder twine and baler twine is with respect to 1948.

As I understand, the Government wishes to continue the control of imports from Mexico and Haiti until December. If that is permitted, then the question of next year's binder twine and baler twine will be involved in Government controls.

The largest customer of the cordage companies is the farmer. The cordage companies have never failed to supply enough baler and binder twine, except in the year 1945, when the purchase of the raw materials and the allocation of such raw materials to end products were completely in the control of the Government. Since 1912 the farmer has had all the baler and binder twine he needed for his purposes.

There is another reason for removing these controls at this time. As I understand, the purchase of these raw materials in Mexico by the Government is at a floor price. What happens is that other countries come in and overbid us in Mexico, so that we are losing a certain amount of the fiber which would otherwise come into this country for purposes of manufacture.

Another reason for eliminating the controls is that there is no control over the import of the finished products from other countries. Mexico, let us say, makes a finished product and sends it to the customers of companies in this country which cannot obtain the raw material to compete with the Mexican product.

If there were any danger, or if there were a fear in the minds of the people who manufacture this twine that the farmer would not get his twine this year or next year, then certainly, as one Member of the Senate, I would not promote the elimination of restrictions on manila fiber. But, as I have pointed out, the farmer is the best customer of the cordage companies. The cordage companies have always provided twine for baler and binder purposes, except during the war, when the Government was completely in control of the raw products and the allocation of the end products.

I hope, Mr. President, that the amendment will be agreed to, and that these fibers will be eliminated from further control by the Government.

Mr. LODGE. Mr. President, I rise for a moment to support the amendment which has been proposed by my colleague, and I should like to read some excerpts from communications which have reached me from manufacturers engaged in the manufacture of binder twine and baler twine in Massachusetts.

E. W. Brewster, of the Plymouth Cordage Co., makes this statement:

We understand has been urged controls necessary to secure adequate supply binder twine and baler twine, but our opinion of whole industry, as stated to OMD (CPA) meeting last month, is that adequate supply these twines and rope too better assured if we have immediate return to normal private competitive operation.

Mr. Edwin G. Roos, vice president of the Plymouth Cordage Co., has this to say in a letter which he wrote to me under date of March 5, 1947:

The personnel of the CPA and its predecessors, WPB and OPM, handling cordage affairs have done, in our opinion, an extremely fine and fair job. The present personnel of CPA has done a remarkable job. At the same time, we feel that our company and our industry have cooperated with the Government's efforts regarding the control of cordage and cordage fibers, and there were very good reasons during the war why such controls should have existed.

However, the war is over, and while there is a world hard-fiber shortage, we are definitely of the opinion that we could move around in free enterprise with a better result to the United States economy than we can under a continuation of controls.

Just as an example, commercial tying twine, prewar, represented an annual volume to the United States cordage industry of between sixty and ninety million pounds—a sizable volume for our industry. During the war, in order to divert fiber and labor into the necessary amount of rope for the armed forces, WPB directed all United States cordage manufacturers to cease the production of tying twine after September 30, 1942. This was a decision in which we, of course, concurred.

The controlling CPA order under which we are operating today is M-84. M-84 still denies United States cordage manufacturers the right to produce tying twine.

However, foreign countries where fiber is produced—principally Mexico—are using hard fiber in the production of tying twine and importing it into this country at a rate that is approaching the United States industry's prewar production rate, and M-84 has no control whatsoever over the use of such twine once it is brought into this country. You can imagine the position we are in with our United States distributors, to whom we have not been able to supply this product since September 30, 1942, and to whom we must sell our other cordage products within M-84 controls, when they can buy Mexican-made twine and use it for any purpose whatever with M-84 controls not in any way applying to the imported product.

I have read those two excerpts to show that we are facing a set of conditions today which were not in existence and not at all contemplated when these controls were put into effect. As these communications show, the controls were justifiable, beneficial, and, in fact, necessary during the war, but I believe the time has come to return this particular type of materials to free enterprise. I am convinced in my own mind that there will be an ample supply of these commodities for those who consume and use them in this country. I think the figures which have been compiled by the industry are convincing. Moreover, it is an industry which has always kept faith with its customers and consumers, and has every interest in the world in so doing.

I hope, therefore, that the amendment may be agreed to.

Mr. KEM. Mr. President, I should like to associate myself with what has been said by the Senators from Massachusetts. I believe that, under present conditions, there is no sound reason for the continuance of Government controls so far as the acquisition of supplies of these materials is concerned.

I should like to read a telegram which I have received from Mr. F. J. Schnakenberg, manager of the St. Louis Cordage Mills, St. Louis, Mo. It reads as follows:

JUNE 25, 1947.

Hon. JAMES P. KEM,
Senate Office Building,
Washington, D. C.:

We understand Senate will tomorrow consider S. 1461 on continuation wartime controls. We request your aid in deleting from

this bill as amended the words "manila (abaca) fiber and cordage, and agave fiber and cordage." The problem of the industry is providing greater supplies of baler and binder twine for agricultural use. The industry's productive capacity is ample to take care of these needs and requirement has not been met only because public purchasing program has failed to provide the fiber required. After struggling for several months to purchase 75,000,000 pounds of Portuguese African sisal badly needed by the industry for baler twine production CPA a month or so ago gave up the job and authorized manufacturers to do their own private buying that fiber. On several occasions within the last 8 months we asked CPA for increase our baler twine quota, and each time this was denied with explanation fiber was not available. CPA was unable to procure sufficient supplies Philippine abaca and last November returned purchase this fiber to private manufacturers. Under private purchasing a much greater supply this fiber became available. Our Government has declined to halt importations of Mexican-made bundling twines while domestic manufacturers are prohibited from making such items. The refusal to permit such bundling twines to enter from Mexico would result in one or both of increased shipment of fiber from that country or shipment of baler twine from Mexico. In either event more binder and baler twine should result. We are convinced this country is losing too much hard fiber through public purchasing and that our industry will do a much better job on binder twine and baler twine if totally decontrolled than it can do under Government regulation. It is almost 2 years since the fighting stopped and it is time the Government cut us loose. Our industry did a wonderful job in the war years and is entitled to freedom of action.

ST. LOUIS CORDAGE MILLS,
F. J. SCHNAKENBERG,
Manager.

I hope the amendment proposed by the Senator from Massachusetts will prevail.

Mr. WHITE. Mr. President, will the Senator yield, to permit me to submit an amendment?

Mr. COOPER. I yield.

Mr. WHITE. I submit the amendment which I send to the desk, and I request its present consideration.

The PRESIDENT pro tempore. The amendment is not in order at the moment. The Senate has yet to vote on the amendment submitted by the Senator from Massachusetts.

Mr. WHITE. Then I ask that the amendment lie on the desk.

The PRESIDENT pro tempore. The amendment will lie on the desk.

The question is on agreeing to the amendment of the Senator from Massachusetts.

Mr. COOPER. Mr. President, the purpose of the amendment offered by the Senator from Massachusetts is to strike from control manila fiber and cordage. The argument advanced by the Government for the continued control of cordage was that it could direct its use for baler twine, binder twine, and rope.

I must say, in honesty, that in the light of the proof developed in the hearings, it was my opinion that there was a sufficient supply of fiber to meet the demand, after making sure there was enough for the farmers this year. If the Senator would withdraw his amendment, I should like to propose an amendment which would permit the Department of Commerce to allocate the supply now on hand or under contract so that there may be no question about the protection of baler and binder twine for the farmers. I understand it is limited to about 62,000,000 pounds, which they have contracted to purchase in Mexico and Haiti.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. The Senator from Kentucky has shown me his proposed amendment, which is to be offered in place of the one I offered. As I understand, his amendment simply permits the Government to allocate the amount of fiber it has on hand as of July 16, 1947, which amounts to approximately 62,000,000 pounds. That fiber must go into baler twine or binder twine, for use in connection with next year's crop, as I understand. The total amount of fiber used in the course of a year is somewhere between 347,000,000 pounds and 600,000,000 pounds. The amount involved is about one-sixth of the total amount used. I can see no objection to the amendment suggested by the Senator from Kentucky, and if something develops justifying opposition it can be stricken out in conference, because the House has eliminated this fiber from the bill in its entirety. I believe that the amendment is a good compromise, because it protects the farmer to the extent of 62,000,000 pounds, and it permits the Government to sell the amount it has on hand without going into competition with the various factories in the country. Therefore, if the Senator from Kentucky will offer his amendment, I will accept it.

The PRESIDENT pro tempore. The Senator from Massachusetts withdraws his amendment. The Senator from Kentucky offers an amendment in lieu thereof, which the clerk will report.

The CHIEF CLERK. On page 7, line 4, after "cordage", it is proposed to insert a comma and the following: "owned or contracted for by any agency of the Government on July 16, 1947, for the purpose only of establishing priority and allocation in the production of binder twine, baler twine, and rope."

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the amendment.

The amendment to the committee amendment was agreed to.

Mr. WHITE. Mr. President, I call up the amendment I have sent to the desk.

The PRESIDENT pro tempore The Senator from Maine offers an amendment to the committee amendment, which the Clerk will report.

The CHIEF CLERK. On page 7, line 5, it is proposed to strike out "and", and in line 18, after "export", to insert "and grains for the purpose of controlling the use thereof for distilling and brewing."

Mr. WHITE. Mr. President, I emphasize that I offered this amendment in behalf of my colleague, in his name and in his behalf. I think the amendment speaks for itself. It proposes to extend the controls on grain.

As I understand the situation, we exported during the last year something like 500,000,000 bushels of grain, one of the very staple products of America, and I think if there is justification for extending control over other commodities and certain foods that are referred to, there is justification for extending some degree of control, and the same character of control, over grain.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the committee amendment, submitted by the Senator from Maine.

Mr. TAFT. Mr. President, I think it would be a great mistake to adopt this amendment. There is no longer any allocation of grain. There is no longer any allocation of anything except a very few limited products. To provide that we shall have power to restrain, in other words, to limit, the amount of grain that can be used in brewing and distilling seems to me a tremendous mistake of policy. It involves a new, complete control of the grain industry and of what happens to grain. I do not think we should reimpose such a restriction.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Maine to the committee amendment.

The amendment to the amendment was rejected.

Mr. HAWKES. Mr. President, I send to the desk an amendment that would put quinine, cinchona bark, and quinidine under controls.

The PRESIDENT pro tempore. The Senator from New Jersey offers an amendment to the committee amendment, which the clerk will report.

The CHIEF CLERK. On page 7, between lines 5 and 6, it is proposed to insert the following:

(4) Cinchona bark, quinine, and quinidine.

Mr. HAWKES. Mr. President, the purpose of this amendment is to restore to the bill (S. 1461) controls over cinchona bark, quinine, and quinidine exactly as they were carried in the bill when it was passed by the House of Representatives.

In spite of my objection to Government controls and my deep-seated conviction that all wartime controls imposed on our free-enterprise system should be removed at the earliest possible moment, I am convinced that the further extension of these controls is imperative for humanitarian reasons.

Controls were originally imposed on these materials because of the critical shortage of supply resultant from the overrunning of the Indonesian Peninsula by the Japanese. Even though our armed forces freed this area and the Dutch have returned, they have not yet been able to restore peace and harmony in the East Indies, and well-informed individuals advise me that economic conditions in this area are unstable to the point that deliveries from Dutch sources, which have been estimated to be available during the coming year in the amount of 2,100,000 ounces of quinine, are unreliable. These deliveries, I am advised, are only tentatively promised by the Dutch cartel, and I have been unable to determine that there is any binding contract existing which will guarantee deliveries.

The committee report indicates that the over-all demand for 1947 and 1948

will amount to 1,200,000 ounces for malarial and other essential medicinal purposes, and 3,000,000 ounces for other purposes. To fulfill these demands, the report relies upon the delivery of the aforementioned 2,100,000 from the Dutch cartel, 250,000 ounces of Government stock in reserve, and 1,000,000 ounces of Army surplus. The net effect of these Government estimates shows a deficit of 850,000 ounces of quinine for the period.

Industry estimates, which I understand were provided by representatives of that part of the industry manufacturing proprietary products containing quinine, such as hair tonic and patent medicines used in the treatment of maladies less serious than malaria, include 500,000 ounces more from the Dutch cartel than the Government estimates. In addition to this, these industry sources estimate that only 900,000 ounces will be required for antimalarial use, and only 600,000 ounces will be required for other industry uses. On the basis of the estimates from this section of the industry, therefore, the committee was advised that a surplus of 2,350,000 ounces would be available for the years 1947 and 1948.

Manufacturers producing only quinine for antimalarial uses have convinced me that the estimate provided by the proprietary-products industry is unsound, both from the standpoint of its reliance upon delivery from the Dutch cartel and from the standpoint of the relatively small demand for use in proprietary products.

I believe that the controls should be extended until the uncertainty now existent in connection with the ability of the Dutch cartel to deliver is removed. Further, I see no harm which can come from the continuation of these controls because the present allocation system can be broadened to include nonessential medicinal users, if larger supplies than are needed for antimalarial purposes become available. The importance of quinine in the treatment of malaria in the United States cannot be overestimated.

I quote a paragraph from a letter written by Dr. James A. Crabtree, deputy surgeon general, United States Public Health Service, to Mr. Irving C. White, director, Bureau of Industry Operations, Civilian Production Administration, under date of May 5, 1947:

> Most of the malarious areas of the continental United States are in the South and in rural districts. In these areas quinine has been the drug used for the treatment of malaria and sicknesses characterized by chills and fever for generations. To persuade the populace to change over to another drug or drugs would require an extended and expensive educational program. Only recently has atabrine been proven to be the equal of quinine as an antimalarial drug, so that many older physicians are not yet fully cognizant of its efficacy and many of them are very reluctant to use it, particularly against patient resistance. Probably the great majority of malaria patients are self-medicates, and such persons will not take readily to a new drug. Accordingly, the net result of impairment of the quinine supply might well be a material reduction in the number of cases of malaria treated.

There is certainly great difference of opinion among reliable individuals on this subject, but it seems to me that no harm can come from having this particular item under control for another year in order to assure the country of having the necessary amount of quinine to provide for all medicinal needs.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. HAWKES. I yield.

Mr. LUCAS. Do I understand that the amendment the Senator from New Jersey has offered seeks to place quinine under control by the Government?

Mr. HAWKES. Yes; to place quinine back under control by the Government, where it has been.

Mr. LUCAS. In other words, the Senator is not seeking to take something out of the bill; he is seeking to place something in the bill which would place quinine back under control—that is, under so-called regimentation of the Government—for another year?

Mr. HAWKES. That is the idea exactly, because I feel the Government should have the power to see that there shall be the necessary amount of quinine provided for antimalarial purposes.

Mr. LUCAS. I want to congratulate my friend from New Jersey upon the very generous gesture he is making. I shall support his amendment. I think the country will be safe in view of what the able Senator is now proposing. I shall feel sure of the continued safety of the country any time I can discover that my good friend from New Jersey is going back to control.

Mr. HAWKES. I may say to the distinguished Senator from Illinois that I knew when he rose that he was going to say just what he did say. I may say further to the Senator from Illinois that whenever I see something which is of vital necessity for the health and welfare of the people—something which needs control—the Senator will find me voting for it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. KEM. Mr. President, I am opposed to the amendment offered by the distinguished Senator from New Jersey. There is a considerable difference of opinion in the estimates made by competent observers respecting the available supply of quinine.

Mr. James H. Grove, president of the Grove Laboratories, Inc., of St. Louis, Mo., a large producer of quinine, appeared before the committee as a witness. Mr. Grove estimated that the maximum demand for quinine for antimalarial purposes for 1947–48 would be 900,000 ounces, and that the maximum demand for quinine for blended uses and industrial purposes, currently prohibited under the control order, would be approximately 600,000 ounces, making a total demand for 1947–48 of 1,500,000 ounces. With reference to supply, Mr. Grove estimated a total available supply for 1947–48 of 4,650,000 ounces, which would include an estimate of 800,000 ounces for the public purchase program and domestic processing of the South American bark. On the basis of the figures submitted by Mr. Grove, disregarding the possible 800,000 ounces from the South American public purchase program, the supply of quinine for 1947 would exceed the demand by 2,300,000 ounces.

Under those circumstances, Mr. President, if those figures are correct, and I have every reason to believe that they are, there is absolutely no reason for continuation of this control.

The Grove Laboratories have been engaged in the pharmaceutical business for many years. Mr. Grove is a well-known and highly regarded citizen of St. Louis. I have every confidence that he is informed and that his figures may be relied upon.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. COOPER. Mr. President, in the hearings there was no question which developed as much testimony as the subject of quinine. I think there was more time spent in trying to find out what the situation was with respect to quinine than with respect to any other subject.

The figures we were able to secure were, to say the least, confusing. The Government's figures respecting the supply of quinine were twice revised. We had the same experience with respect to estimates of demand. On that subject the Government revised its figures. Finally it was the opinion of the committee that so far as supply and demand were concerned the supply was adequate to meet the demand. For that reason, we left quinine and quinidine out of the bill. Since that time persons who did not appear have written and sent messages to the committee, notably the Council on Pharmacy and Chemistry, the American Pharmaceutical Association, and the United States Public Health Service, particularly urging that quinidine be kept under control on the ground that it is necessary for the treatment of cardiac disorders. I will say frankly that from the confusing testimony we heard I am not able to give any accurate statement as to what the true situation is. I can only say that upon the proof we did hear there is no question in my mind that supply and demand are in balance.

The House left controls off with respect to stocks now in the hands of the Government. If the Senator from New Jersey will limit his amendment solely to stocks now owned by the Government, I will be willing to accept the amendment.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from New Jersey to the committee amendment. [Putting the question.] The "noes" appear to have it.

Mr. HAWKES. I call for a division.

On a division, the amendment to the amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 9, line 2, it is proposed to insert the following:

> (e) The executive agencies exercising control over exports shall permit the resumption or initiation of exports. Such exports shall be permitted regardless of whether one or more competitors were

normally engaged in the same type of business and shall not be made dependent upon the existence of a concern or the functioning of a concern in a given field of activity at a given time.

On page 10, line 9, after the word "report", it is proposed to insert "within 30 days after each quarter."

Mr. THOMAS of Oklahoma. There are two amendments involved, and I am advised unofficially that there is no objection to the second branch of my amendment. I should like to ask the Senator from Kentucky if I am correctly advised.

Mr. COOPER. There is no objection to the second part of the amendment.

Mr. THOMAS of Oklahoma. I ask then that the second branch of the amendment be acted upon first.

The PRESIDENT pro tempore. The question is on agreeing to the second branch of the amendment submitted by the Senator from Oklahoma.

The second branch of the amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the first branch of the amendment offered by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. The first branch of the amendment seeks still further to outlaw a practice in international trade of using the historical record as a basis for export. The Congress heretofore has passed a law known as the War Mobilization and War Conversion Act of 1944. In that law the Congress enacted subsection (b) as a portion of section 203. Subsection (b) outlawed the program or policy of considering manpower on the basis of historical record. It outlawed the consideration of production on the basis of historical record. Likewise it outlawed the consideration of materials on the basis of the historical record. The administrative departments downtown refused to abide by the law.

I submit to the Senate two decisions of our courts. The first is in a case entitled *Moberly Milk Products Company* v. *Fleming, Administrator, Office of Temporary Controls, et al.* (69 Fed. Supp. 766). That case was passed upon by the district court, and later by the United States court of appeals. The court held that the Administrator of the Office of Temporary Controls was not justified in using the historical basis.

In that case a small concern had made an application for some sugar. It was marketing some kind of a product made from milk, and in order to place the product on the market it was necessary to have sugar. The Office of Price Administration refused to give the concern as much sugar as it thought it should have, whereupon it went into court and sought an injunction. The district court sustained the injunction. An appeal was taken to the circuit court of appeals, and the circuit court of appeals likewise sustained the injunction, which meant that so far as sugar rationing was concerned, the basis known as the historical record should not be governing.

The question has been before another court in another form, in the case of *Publicker Industries, Inc.*, v. *Anderson* (68 Fed. Supp. 532). This was a case brought in the district court in the District of Columbia. The company involved desired to use some grain, I presume in the manufacture of industrial alcohol. The Secretary of Agriculture refused to give it as much grain as it wanted, depending upon the rule known as the historical record basis, whereupon the company filed suit for an injunction, and the case went to court. The court sustained the injunction.

The court has passed upon the question, and the law is on the statute books. All I am trying to do is to reenact the same law with respect to exports. Under the present law the head of the Office of International Trade is restricting exports as he sees proper. Let me give an illustration in point.

My State is a large wheat-producing State. As a rule that wheat is processed in Kansas City. Not very long ago some youngsters in that trade territory obtained an order for 200,000 sacks of flour, to be delivered at Sao Paulo, Brazil. Believing that they could get the license to ship the 200,000 sacks of flour to Sao Paulo, Brazil, the order was placed by the Government of Sao Paulo, a State of Brazil. They had the money to pay for it. The Ambassador from Brazil made the application for the allocation and secured it. These youngsters, largely veterans, had the order to ship 200,000 sacks of flour to Sao Paulo, Brazil, on the order of the State of Sao Paulo. Not only did they have the order to ship the flour but they had the flour. It had been purchased at Kansas City. Thinking that they would have no difficulty in getting a license to ship the flour, having the allocation, they chartered a ship to carry the flour to Sao Paulo.

When they presented the application to the Office of International Trade they were told that because they were a new concern, not having a historical record, they could not secure a license to ship the flour with respect to which they had a contract, in a ship which they had chartered, which at that time was at Galveston. They could not get a license to ship the flour under this order. They did not get the license, and have not yet obtained it.

On the other hand, the officer in charge of the International Trade Organization proceeded to issue licenses covering the 200,000 sacks of flour to those having historical records. They had no orders, but they had the records, so he issued the licenses to them. They did not have the flour, and they did not have the orders. They could not sell it to Sao Paulo.

Such licenses have been discovered to be in the black market. Under the procedure now in vogue, licenses are issued and are for sale on the black market. Often the license costs more than the product.

I am offering this amendment to outlaw the policy of issuing licenses on the basis of historical records. I submit that so long as this policy is in vogue there is no opportunity for a new concern to get started. There is no chance for veterans to go into any kind of business in which they must have a historical record. They have been in the war. Many of them have just reached manhood, and desire to establish themselves in business. They have no chance to develop historical records. So long as this practice is followed, there is no chance for a youngster, a new company, or veterans, for that matter, to get these licenses, because they do not have a historical record, and they cannot develop one.

My amendment would simply provide that so far as exports are concerned, they shall not be based upon the policy of a historical record. Under my amendment anyone who could obtain business in a foreign country and could get an allocation from the Department of Agriculture could obtain a license. I am not trying to interfere with the control of exports. That subject is under the control of the Department of Agriculture. If it were proper to sell flour to Sao Paulo, Brazil, the Department of Agriculture would issue the allocation. In the case to which I have just referred, the Department of Agriculture did issue an allocation. There is no question about the need of the flour in Brazil. There is no question about it being for hospitals and eleemosynary institutions in Brazil. But the question arose as to who should ship the flour.

Mr. President, I submit the amendment on its merits, and I hope it will be agreed to.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. JOHNSON of Colorado. I think the Senator will find, if an investigation is made of some of those to whom licenses are issued, that they are mere brokers who have been engaged in the export business in years past as brokers. Now that they have a historical basis, producers and other merchants who would like to export are denied a license in favor of the brokers.

Mr. THOMAS of Oklahoma. The Senator is entirely correct. I am not trying to obtain an advantage over anyone, or take an advantage away from anyone. I am merely trying to provide by law that no agency of the Government shall have the power to say who shall have a license and who shall not have a license.

Mr. President, I submit the amendment on its merits.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. If there were an export quota of so many million barrels, and the shipments were not allocated, how would they be determined? Would the first one to make an offer have his offer accepted by the foreign government and get the order, and so on, until the total amount which was allocable to that particular country was exhausted? What would be the alternative?

Mr. THOMAS of Oklahoma. I think the case just referred to is a good illustration. The State of Sao Paulo, Brazil, has control of its eleemosynary institutions, asylums, penitentiaries, and so forth. Acting through the Ambassador from Brazil, it made application for an allocation of 200,000 sacks of flour. The Department of Agriculture saw the fairness and justice of the proposal and issued the allocation for the flour. Then

the Ambassador of Brazil made the contract to buy the flour from a concern in the West. That concern applied to the Department of Commerce for a license to ship the 200,000 sacks of flour which had been allocated by the Department of Agriculture. It was told by the Director that it could not have the license, and that if the flour were shipped to Brazil it must be shipped by those who had historical records. Because this particular concern had no historical record, it was limited to 5 percent. Then the Department issued a license for the 200,000 sacks of flour, but when the licensee desired to sell the flour to the Ambassador, he asked a higher price than the Ambassador had contracted to pay. He refused to pay the higher price, and to date the deal has not been consummated.

Mr. AIKEN. If the Senator's amendment were to be agreed to, a foreign country which is authorized to purchase flour—and I suppose other commodities—in this country would be permitted to purchase wherever it could get the best offer. Is that correct?

Mr. THOMAS of Oklahoma. This is the way the record stands: On one occasion Greece wanted some flour. The head of the department advised those interested that the purchasing agent for Greece had the power to name the person who should have the allocation and the license. On this occasion that policy was reversed. The department said "No; the agent purchasing the goods should not have the power to say who should have the license." The purchasing agent was the Ambassador from Brazil.

That is the practical way in which the system operates. It is all a matter of record, as appears in the House hearings on this same question.

Mr. AIKEN. I thank the Senator for his explanation.

Mr. MOORE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MOORE. Am I to understand that this amendment would change the entire formula for the issuance of licenses? As I understand the formula, 85 percent is allocated to those with a historical record.

Mr. THOMAS of Oklahoma. That is simply a rule placed in force by the department having control of international trade. It is not a law.

Mr. MOORE. As I understand, this amendment would prevent that practice.

Mr. THOMAS of Oklahoma. It would. It would outlaw what is known as the historical record rule.

Mr. MOORE. It is only a rule.

Mr. THOMAS of Oklahoma. That is all. It is only a rule of the department.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. As I understand, the Senator's amendment would not affect the allocations for the various countries.

Mr. THOMAS of Oklahoma. No. We would still retain control over them.

Mr. COOPER. Mr. President, it seems to me that the instance mentioned by the Senator from Oklahoma is just another example of the abuses and inequities which always accompany any system of Government control.

The Senator himself has stated—and I think he is correct—that there is no legal basis for such a ratio being provided by the Department of Commerce. As I see the situation, prior to the enactment of the pending bill, if it is enacted, the applicant for a license had no recourse, because of the provision, that the Export Control Act was not subject to the Administrative Procedures Act which carried with it the right of appeal. Section 10 of the Administrative Procedures Act provides the right of appeal, and we have provided for the right of appeal in the pending bill.

I believe that the amendment is unnecessary. I do not think it should be in the bill. I believe it should not be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the first branch of the amendment offered by the Senator from Oklahoma [Mr. THOMAS] to the committee amendment.

The amendment to the amendment was rejected.

Mr. BUTLER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDENT pro tempore. The amendment offered by the Senator from Nebraska will be stated.

The CHIEF CLERK. It is proposed to insert in the committee amendment, at the proper place, the following:

The sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of the Government.

Mr. BUTLER. Mr. President, I have had a short conversation with the manager of the bill, the Senator from Kentucky [Mr. COOPER] a few days ago, but have not had an opportunity to talk with him today. I had hoped that he would have an opportunity to look over my amendment and see if he would be willing at least to take the proposed amendment to conference.

Very briefly, I should like to give the Senate an idea of the object of the amendment.

Among the 397 articles listed in the report by the Senator from Kentucky, which are subject to the law, if this bill is enacted, I believe there is but one that would be affected by this amendment, and that is the export of wheat. In dollars and cents it is perhaps the largest in the whole list. There are 45 or 50 large grain firms in the United States which are equipped to conduct export business. The Government agency which has been doing the exporting of wheat has purchased nearly all of its supplies from these different firms which ordinarily would be exporting in their own right. I do not believe it is treating the industry fairly when the business is taken over exclusively by a Government agency which certainly is not qualified to do a better job than could the private trade.

I should like to call attention to one part of the report which came to the Senate in connection with the extension of the Reconstruction Finance Corporation a few days ago, in which it was stated that the committee was strongly of the opinion that the Government should not engage in international trade operations whenever and wherever it is practicable to return these operations to private enterprise.

I submit to the Members of the Senate the fact that there is no question but what the grain trade is well qualified to conduct the export of wheat. The export of flour is now in the hands of private trade, as is the export of practically everything else on this list of 397 articles.

I do not propose to amend the bill with relation to the allocation rule. I believe that the Government, under present conditions, should maintain control over the amount of any commodity to be exported, for our own protection, but I think the export of the amount agreed upon could be left in the hands of private trade.

From page 32 of the report in connection with the bill which is under consideration I read as follows:

It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment. It is to be noted that Capt. Granville Conway, coordinator, emergency export programs, and president, Cosmopolitan Shipping Co., testified that it was his opinion that the trade could assume this responsibility and could exercise it more efficiently than the Government.

This covers the export of from 300,000,000 to 500,000,000 bushels of grain in the coming year. I think, conservatively stated, it will amount to more than 400,000,000 bushels.

Any agency which takes over the handling receives a commission of 1 percent. They also get a 1-percent commission for certain charges, such as elevator charges, and so forth. So the 1 percent is doubled, making it 2 percent. Why add 5 cents a bushel, which would be 2 percent on wheat, which is selling at close to $2.50 a bushel? Why add 5 cents additional cost to the consumer? It represents an increase of approximately $15,000,000 to $20,000,000, and it does no one any good, except that it gives that "scalp" to the Government agency which performs the service which the regular trade is well equipped to do without that additional charge.

I ask the manager of the bill if he is willing at least to take this amount to conference. If not, I should like to continue with a statement I have in connection therewith.

Mr. COOPER. For the reasons I have stated, I cannot accept it.

Mr. BUTLER. Then, Mr. President, I should like to make this statement in the hope that the Senate will place the amendment in the bill for conference.

As I have stated, with one purpose of the bill I am in agreement. That is the purpose of controlling and holding down the volume of sales to foreign countries of commodities which are in short supply in this country and very vitally needed by our own consumers. Without some restriction on such exports, it is clear that tremendous quantities of such vital commodities as tractors, fertilizer, and petroleum might flow abroad without restriction, creating shortages at

home. As I say, I am in agreement that restrictions on the volume of such exports should be continued. I believe this bill has been sold to the American public on the argument that that is the primary purpose and effect of the measure. However, far more than that purpose is involved in the bill.

Let me call attention to some of the provisions of the bill. First of all, let me invite the attention of the Senate to the declaration of policy. That paragraph sounds as if it had been written in the State Department. It says, for example, that it is our policy "to promote production in the United States by assisting in the expansion and maintenance of production in foreign countries of materials critically needed in the United States." It does not say that it is our policy to promote the production in this country of materials critically needed here. Obviously, it is intended to expand production of those vital materials abroad rather than in this country.

Further on, it declares that our policy is "to aid in carrying out the foreign policy of the United States." Certainly we all want to aid in carrying out that foreign policy. I did not realize until now that that was the primary purpose of controlling exports. I had thought that the purpose of controlling exports was primarily to protect our consumers against shortages such as the gasoline shortage we are already experiencing in the Midwest from our heavy exports of petroleum and petroleum products.

Look a little further down the bill. Under section 3 it is stated that title III of the Second War Powers Act shall remain in force with respect to "such materials for export which are required to expand or maintain production in foreign countries of materials critically needed in the United States, for the purpose of establishing priority in production and delivery for export, and such materials which are necessary for manufacture and delivery of materials required for such export." Certainly we need no priorities in production and delivery for export in order to protect the American consumer. This is a paragraph to protect the foreign producer. This paragraph will be used to require the manufacture and require the export of machinery for the production abroad of anything from sugar to zinc, and thus give a foreign producer a competitive advantage over our own producer by expanding foreign production with the use of American machinery, probably purchased with American money.

Subparagraph 5 under the same section specifically gives authority for the priority of exports of nitrogen ahead of domestic allotments to the American farmer, and subparagraph 6 extends that export priority so that it can be applied to almost every material or commodity produced in this country.

We have swept away virtually all powers of priority and allocation for delivery to meet the needs of our own domestic consumers—in other words, as far as our internal economy is concerned. We still have pressing domestic needs, such as freight cars, housing, farm machinery, and fertilizer. As far as these domestic needs are concerned, we have removed the controls and placed our faith in private competitive enterprise. By the terms of this bill, wartime regimentation methods are retained, but not to meet our own needs—only the needs of the foreign country.

Naturally, the results of a measure like this will depend largely on the administration of the act. This bill proposes creation of a new office—the Administrator of Import and Export Controls. This official will have authority to administer the far-reaching powers granted by this act. Mr. President, in that statement I think the Senator from Oklahoma has the answer to how the question he asked today will be answered. All those questions will be answered by the administration that is appointed to look after this act. Only one real safeguard against the Administrator's abuse of those powers is provided by this bill. That safeguard is that he must be confirmed by the Senate. We can assume that the man appointed to this post will be someone hand-picked to place the demands of foreign claimants ahead of our own needs. If this bill is enacted, I hope that the Senate will scrutinize that appointment very, very closely.

Mr. President, I am stating my thoughts for the record in the hope that they may receive consideration in the conference committee. I regret that I did not take occasion to bring all these points to the attention of the Senator from Kentucky in my conference with him a few days ago, and I wish to assure him again that my comments are not intended to reflect on the splendid job he has done. Legislation of this type, granting general powers to an administrator whom we do not now know, is exceedingly difficult to draft. I have no doubt whatever that the Senator in charge of the bill is anxious to deal fairly with all interests concerned. I hope he will find it possible to consider my comments carefully in the drafting of a conference report. When the name of an administrator is presented for confirmation, I have no doubt the Senator from Kentucky will join with me and other Senators in considering most carefully the qualifications of the man selected.

Regarding the matters that I discussed with the Senator from Kentucky in our conference, I should like to bring them up at this time for the RECORD. I presented two particular problems to him for consideration. One of these dealt with the granting of export licenses to various individual exporters and the basis for dividing up the volume of authorized shipments among such exporters. That matter has already been covered by the amendment the Senator from Oklahoma has presented today. I pointed out that the present practice is to grant such licenses almost entirely to old, established firms, thus virtually cutting out any newcomers who might desire to enter the export field in that commodity. I had particular reference to the export of flour. I understand that the Senator planned to include in his report a recommendation that the basis for such grants of export licenses be reviewed by the administering authority. I wish to express the hope that this review will result in the granting to new firms of a substantially larger proportion of the licenses.

In regard to the second point of our discussion, let me say that I have proposed an amendment which was read by the clerk just a moment ago. That amendment provides that the sale of grain and grain products to foreign purchasers for export shall not be performed or conducted by any agency or department of Government. I wish to make it plain to the Senate that this amendment, when adopted, will not interfere in the least with any Government agency which acts as a representative of the Army in connection with the purchase of wheat or other commodities for delivery to occupied territories—for instance, either to Greece or elsewhere—where the Government is conducting a program of that kind; but the amendment will apply to foreign agents who come to the United States with foreign money to purchase such commodities, and are, I think, rather anxious to deal directly in private trade.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. I should like to ask the Senator what will be the effect of the amendment, if adopted, upon the domestic supply. For instance, if there is a substantial shortage of corn this fall and winter, and if the domestic feeders, who normally use corn, are forced to turn to the use of a substantial amount of wheat for feed, and have to go on the domestic market to obtain that wheat, what will be the effect of the Senator's amendment in preventing invasion by foreign purchasing agents, either public or private, who might come to the United States and, by their purchases, further inflate the corn market and further inflate the wheat market, in the absence of some authority to control the exportation of those grains from this country? I think we must consider those needs for grain, in addition to the need for grain for feed.

Mr. BUTLER. I say to the Senator from Iowa that there can be no doubt that wheat will be used to a great extent in the coming season as a substitute for corn, because there will definitely be a shortage in the corn crop. In fact, the United States has never produced a surplus of corn. To be sure, some corn has been exported; but we have never produced a surplus of corn. We have produced a surplus of wheat during a number of years, and this year the surplus will be larger than usual—which is fortunate for the world.

I can see no reason why the cost of the wheat which will go into international channels should be higher or even as high, if the commission that the Government agency gets is saved, because the Government agency buys from the local dealer every bushel it gets for foreign delivery, and the local dealer will be just as anxious to sell directly to a foreign trader as he will be to sell to the Government and to have it sell, in turn, to the foreign trader. That will make no difference to the local dealer, so long as he is paid the same price.

Mr. HICKENLOOPER. As I understand the Senator, he states that, under

the present set-up, the Government charges a brokerage fee or an elevator fee at the warehouse on that grain, in addition to the normal charges in the regular course of the grain business. Is that correct?

Mr. BUTLER. The figures show the total commission less the amount of 4.8 cents a bushel, or rather close to 5 cents a bushel. As the price of wheat advances, it usually will be 5 cents a bushel.

Mr. HICKENLOOPER. In case the Senator's amendment is adopted, will it mean that there will be no controls on the export of grain from this country?

Mr. BUTLER. There will be exactly the control which exists at the present time. A certain number of bushels of grain will be allocated for shipment to certain places. The only change will be that the business will be done by private enterprise, instead of by a Government agency.

Mr. HICKENLOOPER. So instead of having a Government agency do the purchasing and, incidentally, charge a brokerage and storage fee, in addition to the charge made by regular business, the Senator proposes that the countries or areas to be benefited under the allotment be authorized to purchase directly from the local dealers; is that correct?

Mr. BUTLER. Yes.

Mr. HICKENLOOPER. And the Senator believes that such a provision would not in any way create an unlimited scramble by foreign countries to purchase grain in this country willy-nilly, without regard to allocations; is that correct?

Mr. BUTLER. I do not know that there is any law that prevents a foreigner from coming to the United States today and bidding what he wants to bid for grain; but no buyer is going to pay any more than he has to pay, of course.

Mr. HICKENLOOPER. They come under allotments now; do they not?

Mr. BUTLER. Yes, and they have to get a license for shipment.

Mr. HICKENLOOPER. Would the same regulations and arrangements in regard to allotments and licenses apply under the Senator's amendment?

Mr. BUTLER. Yes; absolutely the same.

Mr. HICKENLOOPER. There would be no change in that situation?

Mr. BUTLER. Not at all.

I wish to repeat that I think the effect of my proposal will be to reduce the cost to the foreign purchasers and foreign consumers by a total of from $15,000,000 to $20,000,000, as compared with the arrangement which has been used for the last several years.

Mr. HICKENLOOPER. Has the Senator any information as to whether the Government agencies now in charge of these allocations and the procurement of this grain believe that the amendment would in any way handicap either the fair allocation of grain to devastated countries and other countries, or the protection of the domestic market? Is there any question that under the amendment it will be difficult or impossible to protect the domestic market as well as it can be protected now?

Mr. BUTLER. I must say that I think the answer to that question is that the Government agencies are not necessary in this operation. I have not the slightest prejudice against the gentlemen who are handling the business; in fact, I am perfectly willing to commend the kind of job they have done. But it is entirely unnecessary to add that agency between the shipper or the producer and the foreign consumer. Attempts have been made for years, both in this Congress and in previous Congresses, to do away with unnecessary middlemen. So in this way we have attempted to remove one middleman who otherwise would be interposed between the grain bidder and the grain consumer.

Mr. HICKENLOOPER. Does the Senator think that the adoption of his amendment may be expected to reduce, at least to some extent, Government employment in this field?

Mr. BUTLER. The Senator from Iowa has touched upon what is probably the vital point. I have no doubt that several hundred persons are employed in handling this program at the moment; and if the change proposed by the amendment is made, they will have to find other work, either in or out of the Government.

Mr. HICKENLOOPER. I thank the Senator.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. LUCAS. As I understand the Senator's amendment, the grain dealers finally will have to go through the Government in order to obtain the allotments provided by the Government. That is true; is it not?

Mr. BUTLER. Of course, the allotments are handled by the agency that is provided.

Mr. LUCAS. Yes; the allotments are handled by the Government agency. In any circumstances, after the agents buy the grain, they have to go through the Government agency; do they not?

Mr. BUTLER. That is correct.

Mr. LUCAS. And they have to handle the grain through the trade, and finally they have to say where it is going to go, and they have to arrange for the allotments; and those who are handling the grain for the trade must ascertain, through the Government agencies, exactly where they are going to place the grain.

Mr. BUTLER. The Government agency makes the program of allocation, and I think that the word the Senator used in saying they handled it is an improper word under this arrangement. They would direct the course of the grain, but under the provisions of this amendment they would not actually handle the grain.

Over the years, the United States has built up a strong and competitive grain-export trade. Many of our exporters have agents or representatives in many foreign countries—in fact, they are in every country where grain is purchased—and they are eager again to resume the export business that has in large measure been denied them since the beginning of the war. At present, the Department of Agriculture largely handles the export of grain and grain products. Various gestures have been made by that agency to return this business to private firms, but it is still almost entirely in the hands of the Department of Agriculture's Commodity Credit Corporation.

My long interest in the grain trade has prompted me to inquire of experienced men in the export grain trade whether they are now prepared and equipped to take back this business. I have been assured that they are (1) able to move grain from the interior to seaboard as readily as any Government agency, and (2) that grain in loading position at port will not be delayed. These men have testified before the subcommittee of the Committee on the Judiciary where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30 so long as the present world food shortage exists.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. BUTLER. I yield.

Mr. HICKENLOOPER. At the present time, the Government is handling the grain, buying it and handling it at the elevators, and transporting the grain after it purchases it. The Government turns the grain over, or sells it, to the foreign purchaser under the allotment. Do the Government representatives follow the grain in any way after the transaction is completed with the foreign purchaser, or does the Government supervision stop at that point? What I am trying to learn is whether the Senator's amendment would open up a field of internal speculation in the country of purchase, that does not now exist, because of any possible failure of the Government to follow through to ascertain the use to which the grain is put on its sale in such country?

Mr. BUTLER. Not in the least, I will say to the Senator, because the foreign claimant, under the present arrangement, in dealing directly with the Government agency, furnishes the ship and the transportation at port, and the responsibility of the Government agency, or a private firm, in the business would end when they had loaded the grain on the ship that was purchased by the foreign purchaser.

Mr. HICKENLOOPER. From that time on it is their grain?

Mr. BUTLER. It is their grain.

Mr. HICKENLOOPER. It is the purchaser's grain, and we do not follow it with any restrictions or regulations as to what they shall do with it after they purchase it and delivery at the port of embarkation has been completed. Is that correct?

Mr. BUTLER. Not in the least.

Mr. HICKENLOOPER. There is nothing in the Senator's amendment that would change that situation?

Mr. BUTLER. Not a thing.

I was just mentioning the fact that, in my conferences with leaders in the grain trade, they assure me they are able to move the grain from the interior to the seaboard, and they are also in position

to take care of it at port when it arrives. These men testified before the subcommittee of the Committee on the Judiciary, where they recorded their trade's position in favor of continuing allocation control of exports by our Government beyond June 30, so long as the present world food shortage exists. They felt that if the allocation terminated on June 30 it would permit unfair and confused distribution in a world where supplies are still short. I might say again that I am not interfering in the least with the program that is intended to avoid that confusion at the moment. I am in entire agreement with these statements.

Nearly 2 years have elapsed since the cessation of hostilities, and this agency still retains a monopoly on the export of wheat. It has failed to abandon this wheat monopoly of its own volition. Only by legislation can it be compelled to cease engaging in private trade. Here in Congress we have been concerned with methods to impress other nations with the advantages of free enterprise. It does not seem logical that we should attempt to demonstrate those advantages when we deny to free enterprise in this country the right to return to a business field which a Government agency has usurped and refuses to abandon.

In its statements before the subcommittee headed by the Senator from Kentucky, the export-grain trade's representative has made a clear case for the return of this export business to private business firms.

I want again to read the statement that is in the Senator's report, wherein he says:

> It is the opinion of the committee that the procurement of wheat should be returned to trade at the earliest moment.

The proviso, while it does not mention wheat, refers to grain and grain products, which would in a practical result affect only wheat, so far as I know.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. BUTLER. I yield to the Senator from Texas.

Mr. CONNALLY. Has the Senator given attention to the aspect of this case that relates to Central and South America? I have been receiving telegrams from grain dealers complaining that restraints on shipping to Central and South America should be removed. What does the Senator say about that?

Mr. BUTLER. I have had no telegrams, I will say to the Senator. I am speaking only my own convictions, after having conferred with the author of the bill, read the report, and studied the bill as to how it might affect private enterprise in this country.

Mr. CONNALLY. If it would not interrupt the Senator from Nebraska, I should like to hear the views of the Senator from Kentucky upon that matter.

Mr. BUTLER. I yield.

Mr. COOPER. May I hear the question of the Senator from Texas?

Mr. CONNALLY. Certain of the dealers want no restraint at all on the shipment of grain to Central and South America. Of course, I understand the answer of the Department is that if there were no restraint, the brokers in Central and South America would do all the business with the foreign nations.

Mr. COOPER. The matter was brought before the committee. It was the committee's opinion that if grain shipments to South America were placed under general license, some of the grain would go promptly from South America by reexportation to Europe.

Mr. BUTLER. Mr. President, I should like to make it plain that the provision of my amendment does not interfere with the allocation of grain or of any other commodity; the Government would still allocate and control shipments.

In its statements before the subcommittee headed by the Senator from Kentucky, the export grain trade's representative has made a clear case for the return of this export business to private business firms. There will be neither confusion nor delay in handling by the private trade. The private exporters, in fact, now sell to the exporting Government agency much of the grain exported. There is no reason to believe that their price, if selling direct to a foreign buyer, will be any different than if they were selling to a Government agency. As matters now stand, the Government agency, the Commodity Credit Corporation, after buying from the private trade, adds its own service fee. And this added fee tends to increase the cost to foreign nations.

The Commodity Credit Corporation already acts as the procuring agent for the Army to fill its food needs in occupied areas.

I propose to make no change in that respect. In testimony before the subcommittee, Army representatives stated that delivery to occupied areas of foodstuffs procured by Commodity Credit had not been on schedule; that the failure to maintain scheduled deliveries has brought on recurring food crises in Germany. I believe that this nonadherence to schedule has now been rectified. I trust that deliveries will continue on schedule. One way to assure this is to lighten that agency's self-inflicted load, and remove from the orbit of its activity the sale of grain and grain products for export to foreign claimants—not to the Army, not to occupied zones abroad, but to foreign buyers of American grain.

The export grain trade is not alone in its opinion that this business should be returned to the private trade. Before the Judiciary Subcommittee, a representative from the State Department gave it as his personal opinion that this was a proper function of private trade. President Truman's Export Coordinator, Captain Conway, stated that in his opinion, since the private trade had handled successfully the export trade in coal and other commodities and since he was familiar with the efficiency of the private grain trade, the private grain trade could successfully handle the sale of all grains for export.

I submit this question: If the private trade has successfully taken care of the problem in connection with the export of coal and all the other 397 items under the administration of the present controls, why, in the name of common sense, should they keep control of the export of wheat under one Government agency?

In justifying the service fee charged foreign purchasers, the Under Secretary of Agriculture in a letter to the Senator from Kentucky stated:

> It is our opinion that the cost to claimants of the grains and grain products sold by the Department is on the average comparable to the prices for the same commodities for the same period of time sold by the trade.

But from each such service fee or mark-up probably comes a profit. And from that profit can be built an apparent justification for the employment of Federal employees at the expense perhaps of the needy and starving of Europe for whom we have so recently appropriated huge sums for direct relief. Why should this profit be realized at the expense of the American taxpayer or the needy for whom we have demonstrated our concern? This is particularly difficult to understand when one remembers that the profit comes by retaining an export organization within the Government that duplicates the organization in private trade.

The report of the House Committee on Appropriations, at page 35, indicates the extent of the activity of Commodity Credit in the export field and the cost, in addition to the service fee, that is incurred by foreign purchasers who must buy from it. There you will find listed six activities in which this Government agency engages. Two are concerned with export activities. There you will note that all these activities will require $11,500,000 in the fiscal year. But note, $3,000,000 of this amount will be received by transfer from UNRRA, foreign governments, and other sources for services rendered. No mention is made of any receipt from the Army for procuring goods for that Department. I understand that UNRRA is not functioning after June 30. It would appear that foreign governments and other sources will make the major contribution. I believe I am safe in saying that those receipts from foreign governments and other sources will keep a large number of people employed in our Government.

Mr. President, I feel that those of us who believe in competitive free enterprise must clearly indicate in this measure whether we want to continue Government in competition with business or whether we want to give to business the opportunity to return to its historic field. I believe that wheat is about the only commodity still handled by the Government in this way, and I see no reason why it should not be returned to private enterprise. I am therefore presenting the amendment in the hope that the Senator from Kentucky will accept it.

Again, Mr. President, I quote from the words of the report of the committee that "The program of wheat should be returned to the trade at the earliest moment." I hope the Senator will accept the amendment, and that it may be adopted and taken to conference.

Mr. YOUNG. Mr. President, the amendment offered by the Senator from Nebraska, which would take from the Commodity Credit Corporation the authority to handle purchase of foreign shipments of grain, would, in my opinion, be disastrous to the farmers of America and perhaps very expensive to the con-

sumers of America and of the foreign countries buying our grain for food.

Last year I criticized the Commodity Credit Corporation for not entering the market in the fall during the heavy marketing season and purchasing grain when grain was cheaper. At that time I understand that it was practically impossible for the Corporation to do so because the Government did not anticipate just how much foreign grain would be required, and foreign nations had not ordered as early as they might have. As a result we had cheap wheat last fall and much higher priced wheat during the winter and in the spring, and that higher price prevails now.

If this amendment should be adopted, we would have one of the wildest fluctuating markets I think this country has seen for a long time in grain. If the amendment is not adopted, the Commodity Credit Corporation now has pooled orders to the extent that they can purchase continuously approximately 14,000,000 tons of wheat a month from now on during the heavy marketing season. That will have a healthy effect on the market, because it will level prices off now, preventing too low prices, and will allow the Commodity Credit Corporation to make its purchases while the marketing is heavy. Then in the spring, when wheat is not so plentiful, the CCC will have purchased its grain and can stay off the market.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. YOUNG. I would rather not for a moment. If the amendment is adopted, the following will result: There are many foreign countries now wishing to purchase American wheat. These orders will be bunched up. Perhaps one-half dozen countries will order in one week. As a result the grain trade will enter the market with unusually heavy purchases and push wheat up 30 cents, 40 cents, or 50 cents a bushel. The next week or two there probably would not be any orders, and as a result the price of wheat would drop again. That is something the Minneapolis, Omaha, Kansas City, and Chicago markets want. They make more money on a wild, fluctuating market.

Mr. President, I hope the amendment will not be adopted. It is a part of the program of the grain trade which has been going on for many months to destroy the operations of the Commodity Credit Corporation, which supports prices and is trying in every way possible to level off prices and to support farm prices at levels authorized by law.

I yield now to the Senator from Nebraska.

Mr. BUTLER. The Senator from North Dakota apparently thinks the Commodity Credit Corporation's handling of the export grain has been beneficial to the producer and the consumer here in America. Why not apply the same reason and have the Commodity Credit Corporation handle all the domestic business? Then we would have no competition whatsoever.

Mr. YOUNG. I do not think that reasoning would apply. Wheat is the staff of life. Wheat and corn comprise largely all the purchases the Commodity Credit Corporation is making for foreign food supplies. It is the governments of other countries largely that are making the purchases through the Commodity Credit Corporation and not individuals. By getting all the orders for grain the Commodity Credit Corporation can continue a day-to-day program for the purchase of commodities without disturbing the market to any great degree.

Mr. BUTLER. I should also like to say to the Senator, who is my very dear friend and a tiller of the soil, as I claim to be myself, that I hope that he does not think I am speaking for the grain trade, because I have had the same interests in the grain trade ever since I have been in the Senate that the distinguished Senator from North Dakota has, that is, producing a few bushels for the market for my own account. That is the only interest I have in the grain trade as such. But I think it is only right that the members of the grain trade should have the same opportunity at free enterprise that every other enterprise has which is covered by the bill before us. Why exclude wheat and wheat alone? Why not put all these commodities under the control of the Commodity Credit Corporation? If the argument with respect to wheat is good, why not include all the commodities listed in the report?

Mr. YOUNG. I would agree with the Senator from Nebraska for whom I have always had a high regard, that so far as we can we ought to get back to the free enterprise system, but we ought not to do it at the expense of the consumers of this country and other countries when it is not necessary at the present time to do so. The grain trade is being taken care of well and can wait a few months more until conditions are more normal.

Mr. BUTLER. I also wish to say again to the Senator that I have received some telegrams from grain dealers which I have not even had time to read, only about half a dozen of them. The telegrams were from firms with which I am not personally acquainted. I have not had time to give them personal attention. But the grain trade have told me over the past several years that the Commodity Credit Corporation has been handling the grain market, that the Commodity Credit Corporation is the only real bull in the market; that the fluctuations of the market have been due entirely to the doings of the Commodity Credit Corporation rather than to individual members of the trade. When we are subject to the whim or the opinion of one organization, it is not well. The Senator will agree that they can put the market up 5 cents, 10 cents, or 15 cents a day by accumulating a bunch of orders, or they can cause the market to fall 5 cents, 10 cents, or 15 cents a day if they go out of the market. That is certainly what they are doing. The fluctuations which have occurred in the grain market have been due to the program adopted by the Commodity Credit Corporation. We see less fluctuation under private enterprise, when hundreds or thousands of dealers are engaged, than when the business is in the hands of one person.

Mr. YOUNG. Mr. President, I think the Senator from Nebraska is unjust in his accusation. The Commodity Credit Corporation was not to blame for the fact that all these orders for wheat for foreign countries came in all of a sudden during the past winter. They had to make these purchases both for the Army and for foreign countries, and as a result of this alone wheat went up. I will say to the Senator that if the matter were turned over to the grain trade now the business of buying would be conducted on no more than a month-to-month basis and probably on only a week-to-week basis. On the other hand, the Commodity Credit Corporation has a considerable number of orders, and as a result can purchase their needed supplies in a much more orderly manner than would ever be possible by purchasing through hundreds of individual buyers.

Mr. BUTLER. The same thing would apply in the handling of domestic business, would it not?

Mr. YOUNG. There is no purchase of American goods on a large scale such as there is of wheat, where for instance a country wants 100,000,000 bushels of wheat right now or its people are going to starve to death. Present conditions are extraordinary.

Mr. BUTLER. A very small percentage of grain transactions are for shipment abroad. The bulk of the grain transactions are handled here at home. If it is well that the principle be applied to wheat, why not apply it to the other commodities listed in the report?

Mr. YOUNG. I think it was stated a while ago that we were going to export between 300,000,000 and 500,000,000 bushels of wheat this year. All the orders may come in within a month. If the matter were left to private trade, considerable fluctuation in price could result.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CORDON. In view of the fact that the present procedure indulged in by the Government in connection with export control will be continued under the amendment offered by the Senator from Nebraska, and in view of the fact that the procedure involves, among other things, the allocation by the Government not only to a certain identified country or group of countries, but also in certain specific amounts, and over quarterly periods of time, in view of the fact that that control will still remain as it has in the past, and as it operates now in respect to other commodities—and I have particular knowledge of lumber—how can there be any real unsettlement of the wheat market?

Mr. YOUNG. They may say, "We will not issue a permit until perhaps next week." These orders may be all purchased at one time on the market.

Mr. CORDON. The maximum amount of grain permitted to be purchased within a given period of time is set by the Government, and then the license is issued to the exporter under which he may purchase the wheat for foreign sale. That is all controlled by the Government even under the amendment of the Senator from Nebraska. Does not the Government then have complete control of the purchase and sale of the wheat. as it

would have at the present time, with the single exception that, on the basis of the amendment of the Senator from Nebraska, the Government would issue licenses and the trade would go into the business, or, rather, back into the business of handling foreign export?

Mr. YOUNG. No; I think the Senator is mistaken. The only control would be over the amount. There would be no control over the time purchases would be made. This dealing in grain is mostly between various nations. Foreign governments purchasing through hundreds of different grain-trade interests of the United States would present another problem. One grain commission firm on the Gulf might have part of a shipload, and another might have part of a shipload, and so forth. A single firm would have to wait until it got a shipload before it could ship the grain. Under the present arrangement, the operations of the Commodity Credit Corporation are all under one agency. When it has enough for a shipload, it fills the ship from one spout.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BUTLER. I should like to submit for the RECORD a letter which comes from the Director of Export Grain Traffic of the North American Export Grain Association, a gentleman whom I have never seen or known personally. He writes a letter on that particular point. The Commodity Credit Corporation has claimed that it could handle grain at the port to advantage, as compared with the private trade.

Mr. YOUNG. From whom is the letter?

Mr. BUTLER. The director of export grain traffic for the North American Export Grain Association. He answers the point which the Senator has made, that the Commodity Credit Corporation, loading the grain from one spout, is in a better position to load grain for export than any group of private traders. I shall not take time to read the letter, but I desire to place it in the RECORD. It gives figures and dates as to loadings at the port of New Orleans, and answers very definitely the contention made by the Senator. It shows that the Commodity Credit Corporation cannot do and has not done as good a job as private trade in loading vessels for shipment abroad.

Also I ask unanimous consent to have printed in the RECORD a letter dated June 18 from the North American Export Grain Association, which answers many of the other points which have been brought out in this discussion.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 2, 1947.

Hon. JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D. C.

DEAR SENATOR COOPER: Pursuant to your suggestion of today we are herewith presenting some comments which are additional to our letter of June 18, copy attached, on Under Secretary Dodd's letter to you on June 9, 1947, in which there are numerous statements that require exceptions by this association since they represent either misinformation or a deliberate attempt to mislead the committee.

In the fourth paragraph the Under Secretary states "It is realized that it is not practical for the trade to assemble large stocks of grain and grain products in export position without assurance that they will be exported." This is an ambiguous statement for the reason that neither would it be practical for the Department of Agriculture to accumulate such stocks without the assurance that they will be exported. The answer, of course, is that the Department of Agriculture well knows that they will be exported, and all we request is sufficient advance information from the USDA concerning allocations, even though tentative, to be able to do exactly the same job.

We deny his statement that better use of transportation and port facilities can be made by the Department of Agriculture. This is a categorical statement buttressed only by the comment that there has been some difficulty at New Orleans, La. The only knowledge that we have of any operating difficulties at New Orleans, La., occurred in January 1947, and during that month the relative position of the export-grain trade as compared to the Department of Agriculture was as follows: On January 1, 1947, the grain trade had in, or en route to, New Orleans, 714,000 bushels of corn. There were in New Orleans for account of the Commodity Credit Corporation on the same date 700,000 bushels. On January 10, the Commodity Credit Corporation had cleared 1 cargo and their stocks had dropped to 406,000 bushels while the stocks of the trade for direct export had risen to 892,000. On January 17, the Commodity Credit Corporation stocks were 350,000 and the trade's remained at 892,000. On January 24, Commodity Credit Corporation's stocks were 700,000 while the trade's holdings had dropped to 327,000. On January 31, the stocks of Commodity Credit Corporation were difficult to estimate due to the fact that at the request of Captain Conway's office, members of the association had discontinued reporting stocks on hand against Commodity Credit contracts because these figures were being duplicated to some extent by direct reports from Commodity Credit Corporation. However it is assumed that on January 31 they still had the 700,000 bushels while the export grain trade's holdings were 340,000 bushels or 1 cargo.

The figures quoted above represent only quantities held, or en route, to New Orleans by members of the North American Export Grain Association which is only a small part of Commodity Credit Corporation's total purchases and to that extent the figures are not truly representative because Commodity's holdings were undoubtedly much larger several times during the month.

During the month of January the Association's export office in Washington made weekly written reports to Mr. William McArthur, deputy director, Grain Branch PMA, as well as repeated telephone calls to his office informing him of the critical situation that was developing and suggesting that his Chicago office be instructed to accept delivery of these quantities from the grain trade and schedule them for loading from the port. Instead of doing this, however, the contracts were not called but delivery was requested from other sources which did not then have their corn in New Orleans. This contradicts their representation that they move stocks to best advantage. Captain Conway's office was kept fully informed of these developments and we submit that if there was any congestion in the port of New Orleans in January 1947, it was the fault of the Department of Agriculture rather than of the grain trade.

In regard to the Under Secretary's explanation of the pricing policy, particularly the mark-ups of 1 percent for damage, deterioration, and other contingencies, plus 1 percent for administrative expenses, it will suffice to point out that for $2.40 wheat these mark-ups amount to 4.8 cents per bushel which is far in excess of any profit margin taken by the grain trade. To the extent that the charges added by PMA exceed those commonly taken by the trade it means a depletion of funds available for food purchases.

The Under Secretary refers to the transportation priority which the Department of Agriculture has been granted, but fails to point out that this priority extends not only to Department of Agriculture operations but to the movements of all export grains which are a part of the allocated program, therefore, the grain trade has equal access to the transportation priority.

Another statement from the letter is quoted verbatim, "The quantities of grain actually exported for any period are difficult to arrive at because of the lack of definite information from the trade concerning shipments made by the trade." The Under Secretary is apparently ignorant of the fact that the Washington office of the North American Export Grain Association makes a written report to the Department of Agriculture with copies to the ODT and Captain Conway on Monday of each week giving the position of the trade at the close of business on the preceding Friday. These reports show the quantities due each claimant at each port, stocks on hand, or en route, and the approximate interior location of the balances to be moved to the particular ports. This report also includes complete and detailed information on clearances for the previous week showing the recipient, the name of the vessel, the quantity loaded, and the date of clearance. Captain Conway's office has stated on several occasions that they wish agriculture reports were as complete and comprehensive as those of the trade.

Respectfully yours,

O. W. SALISBURY, Jr.,
Director of Export Grain Traffic.

By direction of the acting president.

JUNE 18, 1947.

The Honorable JOHN SHERMAN COOPER,
Chairman, Senate Judiciary Committee, Senate Office Building, Washington, D. C.

DEAR SENATOR COOPER: I have been informed that a letter witten to you by Under Secretary of Agriculture N. E. Dodd has been made part of the testimony presented to you in connection with the question of extension of export controls. Under the circumstances, I request that I be permitted to answer some of the statements and contentions of the Under Secretary.

The figures given by Mr. Dodd in the third paragraph of the first page have somehow become garbled and are meaningless, but I suppose that a correction has been offered by the Under Secretary.

The statement that "better use of transportation and port facilities can be made if the Department owns all of the wheat" is not borne out by the facts.

In the handling of corn by the export trade transportation facilities have been efficiently used and no congestion has resulted at any of the ports. The case of New Orleans is twice mentioned by Under Secretary Dodd. It is a recognized fact in the grain business that the elevator at New Orleans, being a city-owned-and-operated establishment, is the worst-run elevator anywhere in the country. Actually, the congestion at New Orleans was mostly of Commodity Credit Corporation's own making and was aggravated by the fact that CCC was unable to obtain from the elevator manager a correct statement as to their stocks of corn in the elevator and as to the condition of these stocks. Some high-moisture corn had gone out of condition, but no detailed information was available.

Both CCC and the grain trade were confronted with an extraordinary and most exceptional situation and should hardly, in all fairness, be taken as an example of what will occur if the grain trade should handle a large share of the wheat export business.

Mr. Dodd expresses lack of understanding of the approximate market price stated by me of $2.35 per bushel for No. 1 hard winter wheat at the Gulf for July shipment. In an attempt to disprove the correctness of this price, he states that Chicago July futures closed on May 28 at 2.41⅝ and Kansas City at 2.33⅛. It is true that I testified for the first time on May 28, but the market price mentioned by me was in reference to contracts written after May 23 and before June 4, when I testified again. As it happened, the close of Chicago was the highest on May 28, being 2.41⅝, but was as follows on subsequent dates: May 29, 2.35¾; May 31, 2.31; June 2, 2.25¾; June 3, 2.30.

Cash wheat for delivery at the Gulf during July, at that time was available at approximately July price, track, to which should be added 1½ cents per bushel to arrive at the f. o. b. price, so that—on an average—the price stated by me was on the high side.

As a matter of fact, up to the present time, Commodity Credit Corporation has bought somewhat over 20,000,000 bushels of wheat for which they paid from $2.46½ for delivery not later than June 15, which is worth a premium because of early shipment, to $2.23½ for delivery by July 31.

Mr. Dodd's statement shows that, in addition to 1 percent for administrative expenses, which he acknowledges is for the purpose of maintaining a large bureaucracy, the Department makes a charge of 1 percent for damage, deterioration and other contingencies, as the recent loss of flour and rice at Texas City, and losses in connection with grain shipped on the Lakes. All losses, of course, except possibly that of deterioration, can be covered by insurance at premiums which run from ⅛ to ⅜ percent and which, as a matter of fact, are, in most cases, separately charged for. As far as deterioration is concerned, this is an item for account of Commodity Credit Corporation only if they purchase grain in the interior on interior inspection, which is done only part of the time, and then—in most, and probably all—cases the deterioration in the last analysis is for account of the foreign buyer because, simply, grain of poorer quality or lower grade is loaded against the commitments made by Commodity Credit Corporation, and the cost, which is charged to the foreign country, remains unchanged.

Actually, practically the only cases of deterioration are in corn which, as stated above, in all probability, are paid for by claimant nations. The conclusion is that Commodity Credit Corporation charges a total of 2 percent which, on wheat at $2.75 per bushel, is equal to 5½ cents, which is four or five times the profit which an exporter could obtain in competition with other exporters for the same services.

The Under Secretary, in the last two sentences of his letter, presents the best argument that could be made for the handling of this business by the export grain trade. Among other things, by what he says he proves that a contract with an exporter is a great deal more binding than a contract with the Department of Agriculture. When exporters make commitments to foreign claimant nations, they do not do so subject to their ability to acquire grain, nor are they excused from making delivery due to any cause beyond their control, but these contracts by the export grain trade are absolutely binding at a fixed price for a fixed grade of grain for a fixed period of delivery, and are only subject to a specific strike clause extending the period of delivery for the amount of days that a strike may be in effect during the delivery period.

Contracts are established between sellers and buyers which give both equitable rights and which are based on the experience of many decades in the buying and selling of grain for export.

I want to point out once more that foreign claimant nations, with very few exceptions, prefer to make their purchases from the grain delivery trade exactly because of the reasons stated just above but, obviously, most of them are reluctant to state so in public because they are dependent upon officials of the Department of Agriculture for consideration and sponsorship of their eventual allocations of American grain before the International Emergency Food Council. They are most anxious not to antagonize these officials for fear that any statements made by them against the Department of Agriculture may be reflected to their disadvantage in the granting of allocations.

I avail myself of this opportunity to confirm telegram sent you on June 13 pointing out that the prospective increased wheat production in this country has brought about a closer adjustment between supplies and requirements. Therefore, any legislation extending export controls should end on December 31, 1947, for the purposes of review and reexamination of all statistical data then available.

Respectfully yours,

NORTH AMERICAN EXPORT GRAIN ASSOCIATION,

——— ———, *Vice President.*

Mr. YOUNG. Mr. President, I ask the Senator from Nebraska if it is not true that the grain trade is generally opposed to any sort of farm-price-support program.

Mr. BUTLER. No; I cannot say that it is. If the Senator asks my opinion, I will say that members of the grain trade—and I am not one of them—have profited more during Government control than they ever did under private operation, because when they are all free to get whatever business they can on their own, prices are much lower, and the margins of profit are much lower than they are under the control which we have had.

Mr. YOUNG. All of the grain-trade interests I have talked with are opposed to farm-support prices. Why would they not be satisfied to continue for 3 or 4 months, say, until the first of the year, when the heavy purchasing season will be over?

Mr. BUTLER. I am looking after the interests of the American taxpayer, and not those of members of the grain trade. I also have in mind consumers abroad who are paying between $15,000,000 and $20,000,000 to maintain a government agency to represent them here. I should like to see them get their food that much cheaper.

Mr. YOUNG. The Senator from Nebraska knows that in the Argentine the present price of wheat ranges between $5 and $6 a bushel. If the Senator does not want controls, and wants $5 or $6 wheat, which is a detriment to both the consumer and the producer, then let us eliminate all controls. Farmers do not want boom-and-bust prices. They are always fearful lest $3 and $4 per bushel wheat might be followed by 30-cent wheat.

Mr. BUTLER. We are not eliminating the controls. We are maintaining and continuing every control we have had. My amendment does not propose the elimination of a single control. It merely proposes that private trade, instead of the Commodity Credit Corporation, shall fill the orders.

Mr. AIKEN. Mr. President, I hope that all matters of trade now handled by the Government may be restored to private industry as soon as possible. I do not intend either to defend or condemn the Commodity Credit Corporation. I think it has done as good a job as it could have done, although it has made a great many mistakes in the process.

This discussion has centered around wheat. There are several farm commodities which have greater monetary value than wheat. One of them is dairy products. At the present time the Commodity Credit Corporation is keeping the dairy market from absolute collapse, and has been doing so for 2 or 3 months, by buying surplus milk in the form of powdered milk and selling it to foreign countries, in order to obtain a market. If today the Commodity Credit Corporation were not in the business of buying powdered milk and reselling it in foreign countries, we should see a severe collapse of the market for dairy products in this country, and as a consequence we should find a severe shortage of dairy products for the consumer next winter, with prices going sky high.

I have heard no complaint from private industry over the Government buying powdered milk and reselling it to France, Belgium, and other countries. In fact, private industry seems to think that that is a good way to dispose of it and stabilize the market, because the dairy industry does not want fluctuating markets.

The amendment of the Senator from Nebraska applies not only to wheat; it applies to all other commodities, as I understood it when it was read. Therefore, I do not believe that we ought to adopt an amendment which is bound to have such far-reaching effect as the amendment which my good friend from Nebraska has offered. I do not believe that we should adopt something for the special benefit of wheat dealers. I think we should maintain controls as they are for a short time longer.

In the future we shall have surpluses to dispose of. We have promised the farmers of the country that we would maintain the prices of the basic commodities at 90 percent of parity until the 1st of January 1948. We have already had to make good in the case of potatoes. I believe that operation cost us about $80,000,000. Not many of them could be shipped abroad. Some of them were. I would not deny the Commodity Credit Corporation the right to seek a market abroad for the crops which it has today, in order to maintain the domestic market.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. BUTLER. I think the Senator should understand that my amendment does not affect dairy products. It affects nothing but grain and grain products.

Mr. AIKEN. Does it not affect the products which the Commodity Credit Corporation buys and sells abroad?

Mr. BUTLER. It does not affect them at all.

Mr. AIKEN. I maintain that the amendment should have been printed so that we might know what we are voting on. Three or four days ago I learned that the amendment would be offered. There is no reason in the world why it could not have been printed. I do not believe that we should enact special legislation in behalf of grain and grain products. If the result is an increase in the price of grain of $2 or $3 a bushel, it will certainly affect dairy products. If we permit fluctuation and gambling, we shall increase the domestic price of grain in this country sky high, just as it has gone in countries where there has been no control.

Mr. BUTLER. Today the farmer is not receiving even parity for his grain.

Mr. AIKEN. He can receive 90 percent of parity.

Mr. BUTLER. But he is not receiving parity.

Mr. AIKEN. Would he receive more than parity if the entire trade were returned to private dealers?

Mr. BUTLER. I have no way of reading the future, I will say to the Senator. But my amendment does not propose to change in the least the arrangement of the Commodity Credit Corporation for purchasing for Army needs abroad, or for occupied territory abroad. The Commodity Credit Corporation would still be the biggest buyer in the world for those purposes.

This amendment would take care of foreign claimants who come here and buy on their own. I think they want to trade with individuals. Once let the Dutch and Belgian traders come into a free market, offering whatever prices they see fit in competition for this grain, and we shall find that they will take it anywhere they choose and dispose of it at as high prices as they can get, even in their own countries. It belongs to them when it is loaded on the ship. No one can tell me that that will not result in a great increase in the price of grain in this country. I do not believe that it would be good for the country to have the price of grain fluctuate, because later it is bound to go down. The price of corn is approximately $2 a bushel. That is more than parity, if I am not mistaken.

The price of corn will be higher than that of wheat.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. The support price of wheat is $1.83 a bushel now, and the price which the farmer receives is at least 55 cents a bushel above that. The farmer would be tickled to death to sign a contract over a 5-year period for $1.50 a bushel, rather than face the possibility of $5 wheat this year and probably 30-cent wheat in a couple years.

Mr. AIKEN. The farmer is receiving parity now. We are going to have a surplus of dried fruits. The Commodity Credit Corporation will have to buy them and resell them in foreign countries. That is the logical place to get rid of them. Let us support the efforts of the Commodity Credit Corporation. Every grower is not supported by the Steagall amendment. Let us not mess things up.

Mr. COOPER. Mr. President, the amendment which has been offered by the Senator from Nebraska is of importance, and I hope that Members of the Senate will give it careful consideration.

What does the amendment propose to do? It is not proposed to remove export controls from wheat. It is proposed to change the method of procurement of wheat. Today wheat is purchased by the Production and Marketing Administration of the Department of Agriculture, financed by the Commodity Credit Corporation. A license is given to the PMA to purchase wheat, and it is sold directly to foreign countries. The amendment of the Senator from Nebraska proposes that private exporters shall obtain licenses to purchase wheat from the farmers and arrange for its transfer to foreign countries.

I have great sympathy with the Senator's objective and I have great appreciation for his knowledge of the grain business, but after the careful consideration which was given it by the committee—and I cannot say that the committee's knowledge would approximate the Senator's knowledge of the grain business—the committee felt it would be an unwise thing to do. I will give, briefly, the reasons.

This year there will be exported approximately 14,500,000 tons of cereals, consisting of approximately 500,000,000 bushels of wheat and a large quantity of other grains.

That is compared with the peacetime average of a billion and one-half tons against fourteen and one-half million tons. First, there arise the problem of internal transportation, to get the wheat to the port, then the problem of external transportation to get it to the country of destination. The Office of Defense Transportation arranges for transportation to the port. There the Maritime Commission arranges for transportation overseas. The question of movement of such a large quantity is a serious problem, and it is probable that one purchaser can handle it better than several hundred. The PMA can program its purchases and can store wheat at the most logical and likely point for later shipment. If wheat is shipped near a port and it becomes necessary to change its destination, the change can be made without difficulty. If procurement is assumed by the trade, and a change of destination should be necessary, it would be necessary for the private exporter to work out some arrangement with another private exporter for a change in destination. A last point is the most important one. There are changes continually occurring with respect to the necessities and requirements of foreign countries. Because of these changes, it is difficult to make definite allocations of wheat to a country for long periods. If such allocations were made, and the trade contracted on the basis of such allocations, this country might later find itself without supplies to meet more urgent situations, except by repurchase. For example, if a private exporter had been given an allocation for 100,000 tons of wheat for France, and later it was found urgent to ship the wheat to some other country, it would be necessary to buy the wheat back from the private exporter or else the supply would be tied up.

I again say I have great sympathy with this amendment. We say in our report that control should be turned back at the earliest possible moment. There were criticisms made of the Government purchase program which we thought justified, but in looking at the great objective of meeting the tremendous food requirements that will have to be met throughout the year, I think it would be dangerous to tamper with the situation at this time.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. COOPER. I yield to the Senator from Illinois.

Mr. LUCAS. I think the Senator will agree with me that what we need at the present time is the distribution of wheat in an orderly and equitable way. The Commodity Credit Corporation buys up the grain stored in warehouses throughout the country, and then when Belgium, for example, wants a hundred thousand bushels of wheat, within a week's time that agency of the Government is in position to deliver the wheat. Under this other arrangement there will be nothing but chaos and confusion, in my humble opinion, as far as orderly and equitable distribution of grain is concerned throughout the world.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Nebraska [Mr. BUTLER] to the committee amendment. [Putting the question.] The noes appear to have it.

Mr. BALL and Mr. BUTLER asked for a division.

On a division, the amendment to the amendment was rejected.

Mr. COOPER. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. COOPER. Yes.

Mr. SMITH. On page 3 of the committee's report I find the following language:

> Three techniques are employed in the licensing and export of allocations of food, as follows:
>
> * * * * *
>
> The third and most largely used type of license is that issued to commercial exporters against the country quota. Distribution of such licenses is fixed on a basis of 85 percent to historical exporters and 15 percent to newcomers.
>
> Historical exporters are defined by the Department of Commerce as those who made shipment of the commodity concerned to the destination concerned during a base period considered appropriate after consultation with the trade and various Government agencies whose activities have given them knowledge of trade practices.

Mr. President, I should like to propound a question to the distinguished Senator from Kentucky, if I may. I have heard criticisms of this method of distribution, and I should like to ask,

first, whether there is simply a regulation of the Department of Commerce, or whether there is any legislative authority.

Mr. COOPER. It is merely a rule or regulation of the Department; it has no legislative or legal validity.

Mr. SMITH. The criticism made of it is, as I think the Senator mentioned in his opening remarks, that another person wanting to go into business in this field is practically cut out because the so-called historical exporters have the field entirely in their own hands. What possible remedy, under that proposal, would a new company composed of GI's, or anyone else, have?

Mr. COOPER. The Senator from Oklahoma has pointed out that the courts have held this type of arbitrary ruling invalid. Heretofore there has been no power of appeal from the rulings of the Department of Commerce. We have placed in section 5 of the bill the provision that sections 3 and 10 of the Administrative Procedures Act shall be applicable. Section 10 provides for the right of appeal. So I take it that if an applicant for license believes he has been unjustly discriminated against, he will have the right of appeal under section 5 of the bill.

Mr. SMITH. Is there any explanation as to what criteria would be used to determine whether he was rightly or wrongly discriminated against?

Mr. COOPER. If the contention of the Senator from Oklahoma is correct—and I believe it is—there can be no arbitrary division. It would be the duty of the Department to grant licenses equally and equitably between applicants.

Mr. SMITH. Perhaps the most we can say is that it is one of the misfortunes that occur when we find ourselves compelled to adopt some sort of control.

Mr. COOPER. I agree with the Senator. These controls have been requested by the President.

The PRESIDENT pro tempore. The amendment offered by the Senator from Kentucky to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment, it is proposed to add a new section as follows:

SEC. 6. (a) The Secretary of Commerce, subject to the direction of the President, shall have power to establish policies and programs to effectuate the general policies set forth in section 2 of this act, and to exercise over-all control, with respect to the functions, powers, and duties delegated by the President under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended. The Secretary is further authorized, subject to the direction of the President, to approve or disapprove any action taken under such delegated authority, and may promulgate such rules and regulations as may be necessary to enable him to perform the functions, powers, and duties imposed upon him by this section.

(b) The Secretary shall make a quarterly report, within 30 days after such quarter, to the President and to the Congress of his operations under the authority conferred upon him by this section. Each such report shall contain a recommendation by him as to whether the controls exercised under title III of the Second War Powers Act, 1942, as amended, and the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended, should or should not be continued, together with the current facts and reasons therefor. Each such report shall also contain detailed information with respect to licensing procedures under such acts, allocations, and priorities under the Second War Powers Act, 1942, as amended, and the allocation or nonallocation to countries of materials and commodities (together with the reasons therefor) under the act entitled "An act to expedite the strengthening of the national defense," approved July 2, 1940, as amended.

The amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate House bill 3647. Without objection, the House bill will be substituted for Senate bill 1461.

There being no objection, the Senate proceeded to consider the bill (H. R. 3647), to extend certain powers of the President under title III of the Second War Powers Act.

Mr. WILEY. I move to amend by striking out all after the enacting clause and inserting the text of the Senate bill as amended.

The amendment was agreed to.

The PRESIDENT pro tempore. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 1461 is indefinitely postponed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. WILEY, Mr. COOPER, and Mr. MCCARRAN as conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, informed the Senate that the President of the United States having returned to the House of Representatives the enrolled bill (H. R. 493) to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.)," in compliance with the request contained in Senate Concurrent Resolution No. 22; and returned the engrossed copy of said bill to the Senate.

The message announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the judiciary, for the fiscal year ending June 30, 1948, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the said bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, 26, and 35 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

TRUSTEESHIP AGREEMENT COVERING JAPANESE MANDATED ISLANDS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 378)

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States transmitting the trusteeship agreement covering the Japanese mandated islands, which are the Carolines, the Marianas, and the Marshalls. The trusteeship agreement has been unanimously approved by the Security Council of the United Nations. The message of the President will be printed in the RECORD. The message, attached papers, and the proposed agreement will be referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 8347.)

JOINT COMMITTEE ON LABOR-MANAGEMENT RELATIONS

The PRESIDENT pro tempore. The Chair desires to announce that under the terms of the Taft-Hartley Act, a joint committee of 14 is set up, of which 7 members are to be named by the President pro tempore of the Senate.

After consultation with the leaders on both sides of the aisle, the Chair announced the appointment of the following committee: The Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. BALL], the Senator from New Jersey [Mr. SMITH], the Senator from New York [Mr. IVES], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. PEPPER], and the Senator from Louisiana [Mr. ELLENDER].

AUDIT REPORT OF DEFENSE HOMES CORPORATION

The PRESIDENT pro tempore laid before the Senate a letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report of the Defense Homes Corporation, for the fiscal years ended June 30, 1945, and June 30, 1946, which, with the accompanying report, was referred to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Michigan; to the Committee on Banking and Currency:

"House Concurrent Resolution 5

"Concurrent resolution memorializing Congress to provide immediate increased allotments of sugar for home consumption and for the removal of all controls on sugar as soon as possible

"Whereas the housewives of America have exercised, during the period of hostilities and for more than a year since the cessation of hostilities, the strictest economy in the consumption of sugar as a part of their contribution to the war effort; and

"Whereas the waste resulting from the lack of sufficient means of preserving foodstuffs through the scarcity of canning sugar can no longer be justified since the Nation has not been at war for the past 18 months; and

"Whereas numerous commercial users of sugar have been able to continue processing without the degree of restraint imposed upon homes and home use in this country; and

"Whereas Michigan, in common with other great agricultural States, produces many crops which require sugar for preservation, such as cherries, berries, apples, and other fruits and vegetables; and

"Whereas in the past year losses from this source have been estimated at several millions of dollars: Now, therefore, be it

"*Resolved by the house of representatives (the senate concurring)*. That the Congress of the United States is hereby requested to provide by law for an immediate increase in the allotment of sugar for home consumption and particularly for increases in sugar to be used in home canning; and be it further

"*Resolved*, That the Congress is requested to remove all controls from the sale and importation of sugar as soon as is possible; and be it further

"*Resolved*, That a copy of this memorial be sent to each Member of the Michigan delegation in Congress and to the President of the United States.

"Adopted by the house January 29, 1947.

"Adopted by the senate May 21, 1947."

A memorial of the house of representatives of the legislature of the State of Arizona; to the Committee on Finance:

"House Memorial 1

"Memorial on Federal contribution to old-age assistance

"*To the Congress of the United States:*

"Your memorialist respectfully represents:

"By the act of Congress of August 10, 1946 (Public Law 719, 79th Cong.), the Federal contribution to the States for old-age assistance, for a period terminating December 31, 1947, was fixed at a sum equal to two-thirds of the State's expenditure for the purpose up to $15 per month for each beneficiary, plus one-half of the State's expenditure above $15 and one-half of the expense of administration.

"The need thus recognized for an increase in the amount of assistance for aged citizens of the States will not pass with the date fixed for the termination of the Federal contribution, and Federal participation in this just and righteous cause will be equally as necessary as at present.

"Wherefore your memorialist, the house of representatives of the State of Arizona, requests:

"1. That the provisions of Public Law 719, Seventy-ninth Congress, relating to Federal participation in old-age assistance, be reenacted and made permanent.

"Adopted by the house June 24, 1947."

A petition of sundry citizens of the State of Florida, praying for the enactment of the so-called Townsend plan to provide old-age assistance; to the Committee on Finance.

By Mr. WILEY:

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Foreign Relations:

"Assembly Joint Resolution 64

"Joint resolution memorializing the President and Congress of the United States to take steps necessary to authorize immediate development of the Great Lakes-St. Lawrence waterway

"Whereas the President has termed the proposed development of the Great Lakes-St. Lawrence waterway for travel by seagoing vessels more important to this Nation than any other comparable project; and

"Whereas for 50 years outstanding Americans in official and civilian life, concerned with the economic welfare of the people of this country, have urged this undertaking as vital to the full development of the country's resources and inland transportation facilities; and for 20 years the governors and legislatures of the State of Wisconsin, regardless of political affiliation, have gone on record as favoring this great project; and

"Whereas every effort in the past to make this seaway a reality has failed because of vigorous opposition from selfish and sectional interests; and

"Whereas the urge for this seaway is today strong and virile and will continue so to be until the Great Lakes-St. Lawrence waterway is made adequate for navigation of seagoing vessels and furnishes Midwest farm, factory, mine, and shipyard products access to the markets of the world; and

"Whereas a seaway from the Great Lakes to the tidewaters of the Atlantic will increase our national security in time of crisis, aid in the restoration of our foreign markets, stimulate development of the resources of the Midwest, will lower transportation costs and will conserve our natural resources; and

"Whereas if authorized and undertaken as an immediate postwar work program, this project will furnish a full measure of opportunity for employment to military veterans; and

"Whereas legislation is now pending before both Houses of the National Congress to authorize construction of the St. Lawrence seaway project by agreement between the United States and Canada, Senators WILEY and MCCARTHY, of Wisconsin, being included among the distinguished sponsors of this legislation, reflecting Wisconsin's unalterable and continuing support of this great project: Now, therefore, be it

"*Resolved by the assembly (the Senate concurring)*, That the Legislature of the State of Wisconsin memorializes the President and Congress of the United States to enact such legislation as may be necessary to authorize development of the Great Lakes-St. Lawrence waterway for navigation by seagoing vessels at the earliest practicable date; and be it further

"*Resolved*, That properly attested copies of this resolution be sent to the President, to the clerks of both Houses of the Congress, and to each Wisconsin Member thereof."

(The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Wisconsin, identical with the foregoing, which was referred to the Committee on Foreign Relations.)

DISCONTINUANCE OF PASSENGER SERVICE BY OLD COLONY RAILROAD

Mr. LODGE. Mr. President, on behalf of myself and my colleague the senior Senator from Massachusetts [Mr. SALTONSTALL], I ask unanimous consent to present for appropriate reference and to have printed in the RECORD, resolutions of the House of Representatives of the Commonwealth of Massachusetts, memorializing the Congress to enact the so-called Reed bill, relating to the threat of discontinuance of passenger service by the Old Colony Railroad.

There being no objection, the resolutions were received, referred to the Committee on Interstate and Foreign Commerce; and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution memorializing the Congress of the United States in favor of the enactment of the Reed bill, so-called, whereby the threat of discontinuance of passenger service by the Old Colony Railroad will be removed

Whereas one-fifth of the population of the Commonwealth of Massachusetts is affected by, and to a greater or lesser degree is dependent upon, passenger service on the lines of the Old Colony Railroad which operates between the city of Boston and the principal cities and towns of southeastern Massachusetts; and

Whereas the complete discontinuance and abandonment of such passenger service on the lines of the Old Colony Railroad is threatened under a plan of reorganization for the New Haven and Old Colony Railroads, which plan has been approved by the Interstate Commerce Commission and the United States circuit court of appeals, the granting of a writ of certiorari by the Supreme Court being the only hope of judicial relief; and

Whereas there is now pending in the Congress of the United States a bill known as the Reed bill (H. R. 3237) which, if enacted into law, will nullify the said plan of reorganization and thus remove the threat of discontinuance of passenger service on the said Old Colony Railroad; and

Whereas great investments in industrial and commercial enterprises, hotels and homes have been made in southeastern Massachusetts in the expectation that the passenger service on the Old Colony lines be maintained, as provided in the charter granted to the Old Colony Railroad by the Commonwealth of Massachusetts, and the discontinuance and abandonment of said passenger service would constitute a tragic injustice to said citizens of Massachusetts: Therefore be it

Resolved, That the House of Representatives of the General Court of Massachusetts urges the passage of said Reed bill (H. R. 3237); and be it further

Resolved, That copies of these resolutions be transmitted forthwith by the State secretary to the President of the United States, to the Presiding Officer of each branch of Congress, and to the Members thereof from the New England States.

In house of representatives, adopted, June 26, 1947.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. O'CONOR, from the Committee on Civil Service:

S. 999. A bill to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; with an amendment (Rept. No. 428).

By Mr. MOORE, from the Committee on Interstate and Foreign Commerce:

S. 1028. A bill to amend the Natural Gas Act approved June 21, 1938, as amended; without amendment (Rept. No. 429).

By Mr. BUTLER, from the Committee on Public Lands:

S. 794. A bill to authorize the sale of a small tract of land on the Cherokee Indian Reservation, N. C.; with an amendment (Rept. No. 423);

H. R. 2005. A bill to amend the act of April 21, 1932 (47 Stat. 88), entitled "An act to provide for the leasing of the segregated coal and asphalt deposits of the Choctaw and Chickasaw Indian Nations, in Oklahoma, and for an extension of time within which purchasers of such deposits may complete payments"; without amendment (Rept. No. 424);

S. J. Res. 94. Joint resolution to establish the Fort Sumter National Monument in the State of South Carolina; without amendment (Rept. No. 430);

S. J. Res. 118. Joint resolution to authorize the Secretary of Agriculture to sell timber within the Tongass National Forest; with amendments (Rept. No. 433); and

S. J. Res. 130. Joint resolution establishing a code for health and safety in bituminous coal and lignite mines of the United States the products of which regularly enter commerce or the operations of which substantially affect commerce; with amendments (Rept. No. 431).

By Mr. AIKEN, from the Committee on Labor and Public Welfare:

S. 472. A bill to authorize the appropriation of funds to assist the States and Territories in financing a minimum foundation education program of public elementary and secondary schools, and in reducing the inequalities of educational opportunities through public elementary and secondary schools, for the general welfare, and for other purposes; with an amendment (Rept No. 425).

By Mr. CHAVEZ, from the Committee on Civil Service:

S. 995. A bill to amend the Civil Service Retirement Act so as to make such Act applicable to the officers and employees of the Columbia Institution for the Deaf; without amendment (Rept. No. 426); and

S. 1324. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; without amendment (Rept. No. 427).

By Mr. REED, from the Committee on Interstate and Foreign Commerce:

S. 249. A bill to amend the Interstate Commerce Act, as amended, and for other purposes; with amendments (Rept. No. 432).

By Mr. GURNEY, from the Committee on Armed Services:

S. 1502. A bill to authorize the contribution to the International Children's Emergency Fund of the United Nations of an amount equal to the moneys received by the Selective Service System for the services of persons assigned to work of national importance under civilian direction pursuant to section 5 (g) of the Selective Training and Service Act of 1940; without amendment (Rept. No. 434).

By Mr. AIKEN, from the Committee on Expenditures in the Executive Departments:

S. 1515. A bill to make surplus property available for the alleviation of damage caused by flood or other catastrophe; with an amendment (Rept. No. 435).

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. GURNEY, from the Committee on Armed Services:

Rear Adm. Albert G. Noble, United States Navy, to be Chief of the Bureau of Ordnance in the Department of the Navy, for a term of 4 years;

John W. Drury, of Connecticut, and sundry other citizens, to be second lieutenants in the Marine Corps;

Bernard N. Bloom, and sundry other officers to be ensigns in the Navy; Joseph W. Neudecker, Jr., to be an assistant civil engineer in the Navy; and Francis Roche, to be an assistant paymaster in the Navy with the rank of ensign;

George F. Stearns, Jr., and sundry other officers for appointment in the United States Navy;

Lt. Col. Cranford Coleman Bryan Warden, and sundry other officers for appointment, by transfer, in the Regular Army of the United States;

Brig. Gen. Edward Courtney Bullock Danforth, Jr., and sundry other officers for appointment in the Officers' Reserve Corps in the Army of the United States; and

Florence A. Blanchfield, and sundry other persons for appointment in the Regular Army in the Army Nurse Corps.

By Mr. CAPPER, from the Committee on Agriculture and Forestry:

James Earl Wells, Jr., of South Dakota, to be Cooperative Bank Commissioner of the Farm Credit Administration.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUTLER (by request):

S. 1565. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. WHERRY:

S. 1566. A bill to provide for greater efficiency of the military forces of the United States in occupied countries, and for other purposes; to the Committee on Armed Services.

By Mr. WILEY:

S. 1567. A bill to provide the venue in actions brought in United States District Courts or in State courts against interstate commerce carriers by railroad for damages for wrongful death or personal injuries; to the Committee on the Judiciary.

By Mr. ECTON:

S. 1568. A bill authorizing the issuance of a patent in fee to Mary K. Reed; to the Committee on Public Lands.

By Mr. IVES:

S. 1569. A bill to provide for the construction of a water-filtration plant on the military reservation at West Point, N. Y., and for other purposes; to the Committee on Armed Services.

By Mr. VANDENBERG:

S. J. Res. 143. Joint resolution authorizing the President to approve the trusteeship agreement for the territory of the Pacific islands; to the Committee on Foreign Relations.

(Mr. IVES (for himself and Mr. WAGNER) introduced Senate Joint Resolution 144, authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, which was referred to the Committee on Foreign Relations, and appears under a separate heading.)

(Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE) introduced Senate Joint Resolution 145, to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, which appears under a separate heading.)

UNIFICATION OF ARMED SERVICES—AMENDMENTS

Mr. ROBERTSON of Wyoming submitted sundry amendments intended to be proposed by him to the bill (S. 758) to promote the national security by providing for a National Defense Establishment, which shall be administered by a Secretary of National Defense, and for a Department of the Army, a Department of the Navy, and a Department of the Air Force within the National Defense Establishment, and for the coordination of the activities of the National Defense Establishment with other departments and agencies of the Government concerned with the national security, which were severally ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 4002) making appropriations for civil functions administered by the War Department for the fiscal year ending June 30, 1948, and for other purposes, was read twice by its title, and referred to the Committee on Appropriations.

PERMANENT HEADQUARTERS OF UNITED NATIONS

Mr. IVES. Mr. President, yesterday the President of the United States sent a message to the Congress transmitting an agreement which has been made between the United States and the United Nations concerning the control and administration of the United Nations headquarters in the city of New York. In the message the President urged early consideration of the matter by the Congress and asked that appropriate action be taken by joint resolution to bring about the effectiveness of the agreement, insofar as this country is concerned. The senior Senator from New York [Mr. WAGNER] and myself have been granted the privilege of introducing an appropriate joint resolution authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement, and for other purposes.

Mr. President, I now ask unanimous consent to introduce this joint resolution and to have it referred to the appropriate committee.

The PRESIDENT pro tempore. Without objection, the joint resolution will be received and referred to the Committee on Foreign Relations.

There being no objection, the joint resolution (S. J. Res. 144) authorizing the President to bring into effect an agreement between the United States and the United Nations for the purpose of establishing the permanent headquarters of the United Nations in the United States and authorizing the taking of measures necessary to facilitate compliance with the provisions of such agreement; and for other purposes, introduced by Mr. IVES (for himself and

Mr. WAGNER), was received, read twice by its title and referred to the Committee on Foreign Relations.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. McCARRAN. Mr. President, the Senate Committee on Public Lands has under consideration Senate bill 1175, a bill to authorize the construction of the central Arizona project.

THE PROJECT

The project would consist primarily of the Bridge Canyon Dam on the Colorado River above Boulder Dam, and an aqueduct to transport Colorado River water to central Arizona, through tunnels over 80 miles long, bypassing Boulder Dam. Initially, however, instead of building these tunnels, a branch or alternate aqueduct would be built from Parker Dam, lifting the water by pumping nearly a thousand feet, to join the ultimate Bridge Canyon aqueduct route at a junction point part way to the Phoenix area, and using about a third of the Bridge Canyon power. The remaining two-thirds would be sold. The potential customers are supposed to be in California, Nevada, and Arizona.

COST

The ultimate project will cost over $1,000,000,000. The initial part of it, involving the Parker pumping route, will cost over $600,000,000. This latter figure is about the same as the estimated cost of the St. Lawrence seaway, and five times the cost of the Boulder Canyon project.

FINANCING PLAN

Under the plan set up by the bill, no part of the capital cost will be repaid by the Arizona irrigators. Either the Federal Treasury, or the power users, are expected to pay for all of it.

The water will be sold to the irrigators at $4.50 per acre-foot, which, according to the Reclamation Bureau, is less than the cost of operation and maintenance alone.

SUBSIDIES REQUIRED

The power users or the Federal taxpayers will have to provide not only the six hundred million to one billion of capital costs, but also over $3,000,000 per year in operating expense.

The scheme does not contemplate that the Treasury will get any interest on its power investment. The amortization period is estimated at over 80 years. The lost interest alone, for 80 years at 2 percent, is over a billion dollars, even if the capital is recovered; and during the same period the Federal taxpayers or the power users would have to carry the burden of over a quarter billion dollars of operating expense that the water users cannot pay.

IMPORTANCE OF POWER TO NEVADA

Abundant cheap power is essential to Nevada. Bridge Canyon power site, properly developed, can be an asset to Nevada and the other intermountain areas within transmission distance. But as proposed in this bill, a million and a quarter acre-feet would ultimately bypass Boulder and Davis Dams, reducing the power Nevada is entitled to at such projects. More important, Bridge Canyon power itself would be loaded with over $300,000,000 of subsidy to an Arizona irrigation project. When the Boulder Canyon Project Act was debated, Nevada insisted that power at Boulder Dam should not have to pay for any part of the All-American Canal. The power users of Nevada are entitled to have the same principle apply to Bridge Canyon.

RELATION TO NATIONAL DEBT

Coming on the heels of an effort to reduce Federal income taxes four billions, and to reduce the current budget by a comparable figure, any project that adds over a billion to the interest burden on the taxpayers deserves mature consideration.

The bill has not been reported upon by the Interior Department. The Reclamation Bureau has not completed its investigations, and hence is not yet ready to submit its proposed plans to the seven affected States for their comment, as is required by the O'Mahoney-Millikin amendments to the Flood Control Act of 1944; furthermore, it will not be ready to do so for another year. The procedure used here would make a dead letter of the O'Mahoney-Millikin amendments. The project has not cleared the Bureau of the Budget. The Boulder Canyon Project Act involved only one-fifth as much money, but Arizona opposed it and kept it before Congress for many years. In spite of all this, the project's sponsors are pressing the Arizona delegation to get it reported and passed. The Congress is being deluged with publicity and propaganda in its favor.

WATER

The enormous investment proposed in Senate bill 1175 is a gamble on an uncertain water supply. As the direct result of the Mexican Water Treaty, which was opposed by two of the three Lower Basin States and by most of the water users in Arizona, but which was supported by the sponsors of Senate bill 1175, the lower basin is confronted with a catastrophic water shortage. Commissioner Bashore furnished the Senate, at my request, figures published in Senate Document 39, Seventy-ninth Congress, showing that the face amount of the Government's commitments in the lower basin would exceed the supply available in a dry decade like 1931–40, after the upper basin is fully developed, by well over 2,000,000 acre-feet per year, and that even after drawing down Boulder Dam storage 1,500,000 acre-feet a year, there would be a deficit of over three-quarters of a million acre-feet annually. In the hearings on Senate bill 1175, Arizona's expert, Mr. Debler, has admitted that Boulder Canyon storage cannot safely be drawn down more than 900,000 acre-feet a year, and that in order to make good on the Mexican treaty, the upper basin must be called upon to increase its deliveries at Lee Ferry and reduce its own uses for periods as long as 20 years at a time.

NECESSITY FOR ADJUDICATION

Obviously, the Government should not risk a billion dollars or any part of it on a project dependent on an uncertain water supply. This project's supply is uncertain. It has a supply, at all, only if the Colorado River Compact is construed as Arizona wants it construed. Nevada and California are not in agreement with Arizona's interpretations. Governor Warren, of California, and Governor Pittman, of Nevada, have offered to Governor Osborn, of Arizona, either to negotiate, arbitrate, or join in obtaining authorization by Congress for a suit in the Supreme Court. The permission of Congress is necessary to the latter course, because the United States is a necessary party. Arizona has replied, refusing to negotiate or arbitrate or litigate. She wants a political settlement in Congress. The water rights involved here are States' rights, not subject to disposition by Congress.

To put this matter at rest, the Senators from Nevada and California are joining in introducing a joint resolution to authorize suit. This jurisdictional measure should be speedily considered and passed. Pending its disposition, no action should be taken on any large consumptive use projects in the lower basin.

I ask unanimous consent to introduce the joint resolution for appropriate reference.

There being no objection, the joint resolution (S. J. Res. 145) to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River, introduced by Mr. McCARRAN (for himself, Mr. DOWNEY, Mr. KNOWLAND, and Mr. MALONE), was received, and read twice by its title.

BRANCH BANKS—ADDRESS BY W. J. BRYAN

[Mr. PEPPER asked and obtained leave to have printed in the RECORD an address by W. J. Bryan, vice president of the Third National Bank of Nashville, Tenn., before the Independent Bankers Association, on the subject of branch banks, published in the Bank and Insurance Stock Guide, which appears in the Appendix.]

KEEP YOUR SHIRT ON, FELLOW—LETTER FROM GARRETT MATTINGLY

[Mr. PEPPER asked and obtained leave to have printed in the RECORD a letter written by Garrett Mattingly, dealing with our relations with Russia, published in the June 1947 issue of Woman's Day, which appears in the Appendix.]

NEGLECT OF NEGRO EDUCATION CREATES PROBLEM—ARTICLE BY RALPH W. PAGE

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Neglect of Negro Education Creates Problem," by Ralph W. Page, from the Philadelphia Evening Bulletin of April 19, 1947, which appears in the Appendix.]

DOUBLE TAXATION CONVENTION WITH UNION OF SOUTH AFRICA—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDENT pro tempore. As in executive session the Chair lays before the Senate a message from the President of the United States transmitting to the Senate for its consideration Executive FF, Eightieth Congress, first session, a convention between the United States and the Union of South Africa with respect to double taxation. Without objection, the injunction of secrecy will be removed from the convention; and, without objection, the message from the President, together with the convention, will

be printed in the RECORD and referred to the Committee on Foreign Relations. The Chair hears no objection.

The message, together with the convention, was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention between the United States of America and the Union of South Africa, signed at Capetown on April 10, 1947, in the English and Afrikaans languages, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

I also transmit for the information of the Senate the report by the Secretary of State with respect to the convention.

The convention has the approval of the Department of State and the Treasury Department.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

(Enclosures: (1) Report of the Secretary of State; (2) Convention of April 10, 1947, between the United States and the Union of South Africa with respect to taxes on the estates of deceased persons.)

DEPARTMENT OF STATE,
Washington, July 2, 1947.

THE PRESIDENT,
The White House:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a convention between the United States of America and the Union of South Africa for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Capetown on April 10, 1947.

The Department of State and the Treasury Department collaborated in the negotiation of the convention. It has the approval of both Departments.

In its purposes, to afford taxpayers relief from double taxation and to facilitate cooperation between the tax authorities of the two countries in preventing tax evasion, the convention is similar to the two conventions presently in force between the United States and other countries with respect to estate taxes, namely, the convention of June 8, 1944, with Canada (Senate Executive Rept. No. 3, 78th Cong., 2d sess) and the convention of April 16, 1945, with the United Kingdom of Great Britain and Northern Ireland (Senate Executive Rept. No. 5, 79th Cong., 2d sess.).

The negotiation with the Union of South Africa with a view to the conclusion of the convention began in the summer of 1944 and, with the exception of comparatively minor matters, was completed in 1946. In most respects the convention of April 16, 1945, between the United States and the United Kingdom served as a pattern. It is a matter of interest that that convention has served also as a pattern for a convention relating to estate taxation between the United Kingdom and the Union of South Africa.

The convention with the Union of South Africa, submitted herewith, is similar to the one with Canada and the one with the United Kingdom on the same subject, in that double taxation is avoided principally by means of credit provisions. In the case of a deceased person who, at the time of death, was domiciled in or was a citizen of the United States, a credit is allowed against the Federal estate tax for estate duty paid the Union of South Africa with respect to property situated in the Union and subjected to taxation by both countries. In the case of a deceased person who, at the time of death, was ordinarily resident in the Union of South Africa, a credit is allowed against the Union estate duty for estate tax paid the United States with respect to property situated in the United States and subjected to taxation by both countries. It is possible under the respective laws of the two countries for a decedent, at the time of death, to be domiciled in the United States and also ordinarily resident in the Union.

As in the application of the conventions with Canada and the United Kingdom, the convention with the Union of South Africa extends in its application, so far as the United States is concerned, only to estate taxes imposed by the Federal Government. The imposition and collection of inheritance or estate taxes by States or Territories of the United States or by the District of Columbia are not restricted. Moreover, the credit allowed under the convention (art. V) is subordinated to and has no effect upon the credit against the Federal estate tax authorized by section 813 (b) of the Internal Revenue Code for inheritance, estate, legacy, or succession taxes paid to the States, Territories, or possessions of the United States, or to the District of Columbia. Likewise, the credit for gift tax authorized by sections 813 (a) and 936 (b) of the Internal Revenue Code is not affected by the convention.

The provisions concerning the exchange of information and assistance in the collection of taxes are, like the corresponding provisions in tax conventions now in force between the United States and other countries, deemed essential for the full effectiveness of the substantive provisions regarding exemptions and credits.

The provisions of the convention are contained in 14 articles. The following explanations, supplementing those which have been given above, may be useful in considering the specific provisions:

Article I specifies the taxes to which the convention applies. Article II contains definitions of terms found in the convention and provides that terms not defined in the convention shall have the meanings which they have under the laws of the respective countries, unless the context of the convention requires otherwise.

Article III specifies the rules that are to apply in determining domicile in the United States and ordinary residence in the Union of South Africa and in determining the situs of property for certain purposes. Paragraph (1) of article III provides that domicile in the United States is to be determined according to United States law and that ordinary residence in the Union is to be determined according to Union law. The estate tax or estate duty is imposed with respect to property situated in the taxing country regardless of the decedent's domicile or residence at the time of death. The United States imposes its estate tax also upon the basis of citizenship or nationality. The Union does not. If the decedent were, at the time of death, domiciled in the United States, the United States includes in the gross estate for tax purposes all personal property situated outside the United States. The Union, however, includes personal property situated outside Union territory only if the decedent were, at the time of death, ordinarily resident in the Union.

The Union's death duty law does not use the term "domicile," but uses the term "ordinarily resident," defining that term as meaning habitually resident or resident in the ordinary course of the person's life. Consequently a person may be domiciled in the United States under United States law and at the same time be ordinarily resident in the Union under the Union law. The only feasible recourse for the purposes of this convention was to leave the respective laws of the two countries in these respects unchanged, but to undertake, in paragraph (2) of article III, to lay down rules of situs with respect to various classes of property. These rules are adopted for the dual purpose of (a) determining the property which may be included for estate-tax purposes where the tax is imposed upon the basis of situs within the taxing country, and (b) determining the credit contemplated by article V of the convention.

The situs rules are expressly limited to estates of decedents who were domiciled in the United States or ordinarily resident in the Union at the time of death. A similar limitation is found in the existing estate-tax convention between the United States and the United Kingdom (art. III). At the end of paragraph (2) of article III of the convention submitted herewith there is a proviso which restricts the application of the situs rules for purposes of taxation by one of the countries to property not included for tax purposes by the other country. For example, if a decedent were not domiciled in or a citizen of the United States, but were ordinarily resident in the Union at the time of death, the application of the Federal estate tax to particular property will not be restricted by the situs rules if that property be not actually subjected to the Union estate duty.

The situs of property not covered by article III will be determined in accordance with the law of the taxing country which does not allow a credit under article V. The Treasury Department will be in a position to furnish such detailed explanations as may be desired concerning the application of the situs rules to specific classes of property.

Article IV corresponds to article IV of the existing convention with the United Kingdom. As in that convention, it is provided that deductions shall be allowed as authorized under the law of the taxing country and that neither country, in imposing tax on the basis of situs of property within its territory, shall take into account, in determining the amount or rate of tax, property situated outside its territory. This confirms the existing practices in both countries.

Article V is the credit article, corresponding to article V of the existing convention with the United Kingdom and to article VI of the existing convention with Canada. Double taxation is avoided by the allowance of a credit by each country against its tax for the tax imposed by the other country. Needless to say, the credit is allowed only with respect to property which is subject to tax in both countries. Moreover, the credit is not to exceed that part of the tax imposed by the country allowing the credit which is attributable to the property subjected to tax in both countries. The amount of the tax attributable to property, when that property is part of a gross estate which is taxed at graduated rates, is in the same proportion to the entire tax as the proportion of the value of the specific property to the value of the gross estate subject to tax.

Paragraph (1) of article V provides for a credit in the case of a deceased citizen of the United States who was domiciled abroad at the time of death. It is provided that in such case there will be allowed against the United States estate tax a credit for Union estate duty imposed on property situated within the Union. If that decedent were ordinarily resident in the Union at the time of death, the Union also will allow a credit against its estate duty, in accordance with paragraph (2).

Paragraph (2) of article V provides that (a) in the case of a decedent domiciled in the United States and not ordinarily resident in the Union at the time of death, a credit will be allowed against the United States estate tax for Union estate duty imposed on that part of the estate situated within the Union, and (b) in the case of a decedent ordinarily resident in the Union and not domiciled in the United States at the time of death, a credit will be allowed against the Union estate duty for United States estate tax imposed upon that part of the estate situated within the United States.

Paragraph (3) of article V provides formulas to cover the allowance of credits in the case of a decedent who, at the time of death, is regarded by the United States as being domiciled within this country and is regarded at the same time by the Union as being ordinarily resident within the Union.

Paragraph (4) provides in effect that the credit is to be computed after taking into account any other credit, allowance or relief, or remission or reduction of tax. The effect of this provision in relation to the United States estate tax has been referred to in the sixth paragraph of this report.

Paragraph (5) of article V provides in effect that when the Union allows a credit against its estate duty for the United States estate tax, the latter shall not also be deducted in determining the amount of the estate subject to Union estate duty.

Article VI, which provides for the filing of claims for credit or refund, corresponds to article VI of the existing convention with the United Kingdom.

Articles VII to XI, inclusive, contain provisions with respect to administrative cooperation, including provisions for the furnishing of information and for assistance in collection of taxes. Article VII, corresponding to article VII of the existing convention with the United Kingdom and article VII of the existing convention with Canada, embodies the principle of reciprocal exchange of information with a view to the more effective operation of the convention. Article VIII, which follows in general the formula of article XVII of the existing convention with Sweden regarding income taxes, provides for mutual assistance in the collection of the taxes to which the convention relates. Article IX contains provisions regarding costs incurred in administering the provisions of the convention and restricts the use of the information furnished under the convention to the determination and collection of the taxes. Article X, corresponding to article X of the existing convention with Canada, relates to the authority of the competent authorities to prescribe the regulations necessary to interpret and carry out the provisions of the convention. Article XI, corresponding to article XI of the existing convention with Canada, relates to the right of taxpayers, when they can show that double taxation has resulted or may result, to lodge claims or protests with the competent authorities of either of the two countries.

Article XII expresses the understanding that the convention shall not restrict any exemption, deduction, credit, or other allowance accorded by the laws of either country in the determination of the tax imposed by it. This corresponds to article XII in the existing convention with Canada regarding estate taxes and succession duties, and to provisions in conventions with a number of countries regarding income taxes.

Article XIII provides for ratification and for the exchange of instruments of ratification. It prescribes that the convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to (a) estates of persons dying on or after that date, and (b) the estate of any person dying before that date and after June 30, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the convention shall be applied to such estate. This formula is similar to that prescribed in article X of the existing estate-tax convention with the United Kingdom.

Article XIV provides that the convention shall remain in force for a period of 3 years, but may be terminated at the end of that period or at any time thereafter, according to the procedure and with the effect specified, by the giving of a written notice to that effect by one of the governments to the other government.

Respectfully submitted.

G. C. MARSHALL.

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOUTH AFRICA WITH RESPECT TO TAXES ON THE ESTATES OF DECEASED PERSONS

The Government of the United States of America and the Government of the Union of South Africa, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, have appointed as their respective Plenipotentiaries:

The Government of the United States of America: General Thomas Holcomb, Envoy Extraordinary and Minister Plenipotentiary of the United States of America; and

The Government of the Union of South Africa: Field Marshal the Right Honourable Jan Christiaan Smuts, Prime Minister and Minister of External Affairs of the Union of South Africa.

Who, having exhibited their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of the present Convention are:

(a) In the United States of America, the Federal estate tax, and

(b) In the Union of South Africa, the estate duty imposed by the Union.

(2) The present Convention shall also apply to any other taxes of a substantially similar character imposed by either Contracting Party subsequently to the date of signature of the present Convention.

ARTICLE II

(1) In the present Convention, unless the context otherwise requires:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and of Hawaii, and the District of Columbia.

(b) The term "Union" means the Union of South Africa.

(c) The term "territory", when used in relation to one or the other Contracting Party, means the United States or the Union, as the context requires.

(d) The term "tax" means the United States Federal estate tax or the estate duty imposed by the Union, as the context requires.

(e) The term "Commissioner for Inland Revenue" means the Commissioner for Inland Revenue of the Union or his duly authorised representative.

(f) The term "Commisssioner of Internal Revenue" means the Commissioner of Internal Revenue of the United States, or his duly authorised representative.

(g) The term "competent authority" means the Commissioner for Inland Revenue or the Commissioner of Internal Revenue and their duly authorised representatives.

(h) The term "corporation" when used in relation to the Union shall be regarded as the equivalent of the term "company" as used in the revenue laws of that State.

(2) In the application of the provisions of the present Convention by one of the Contracting Parties, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting Party relating to the taxes which are the subject of the present Convention.

ARTICLE III

(1) For the purposes of the present Convention, the question whether a decedent was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union shall be determined in accordance with the laws in force in the United States and the Union respectively.

(2) Where a person was at the time of his death domiciled in any part of the United States or ordinarily resident in any part of the Union, then as regards the United States the situs of any of the following rights and interests, legal or equitable, which for the purposes of tax form part of the estate of such person or pass on his death, shall, for the purposes of the imposition of tax, be determined exclusively in accordance with the following rules, and as regards the Union, tax may be imposed on any of the following rights or interests which are deemed under those rules to be situated in its territory, but shall not be imposed on any of the said rights or interests which are deemed to be situated outside its territory unless such person was at the time of his death ordinarily resident in some part of its territory:

(a) Rights or interests (otherwise than by way of security) in or over immovable property shall be deemed to be situated at the place where such property is located;

(b) Rights or interests (otherwise than by way of security) in or over tangible movable property, other than such property for which specific provision is hereinafter made, and in or over bank or currency notes, other forms of currency recognised as legal tender in the place of issue, negotiable bills of exchange and negotiable promissory notes, shall be deemed to be situated at the place where such property, notes, currency or documents are located at the time of death, or, if in transitu, at the place of destination;

(c) Debts, secured or unsecured, including securities issued by any government, municipality or public authority and debentures and debenture stock issued by any corporation, but excluding the forms of indebtedness for which specific provision is made herein, shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(d) Shares or stock in a corporation (including shares or stock held by a nominee where the beneficial ownership is evidenced by scrip certificates or otherwise) shall be deemed to be situated at the place in or under the laws of which such corporation was created or organised;

(e) Monies payable under a policy of assurance or insurance on the life of the decedent shall be deemed to be situated in the United States if the decedent was at the time of his death domiciled in some part of the United States, and in the Union if the decedent was at the time of his death ordinarily resident in some part of the Union;

(f) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration or documentation of the ship or aircraft;

(g) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on;

(h) Patents, trade marks and designs shall be deemed to be situated at the place where they are registered;

(i) Copyright, franchises, and rights or licences to use any copyrighted material, patent, trade mark or design shall be deemed

to be situated at the place where the rights arising therefrom are exercisable;

(j) Rights or causes of action ex delicto surviving for the benefit of an estate of a decedent shall be deemed to be situated at the place where such rights or causes of action arose;

(k) Judgment debts shall be deemed to be situated at the place where the judgment is recorded·

Provided that if, apart from this paragraph, tax would be imposed by one Contracting Party on any property, this paragraph shall not apply to such property unless, by reason of its application or otherwise, tax is imposed or would but for some specific exemption be imposed thereon by the other Contracting Party.

ARTICLE IV

(1) In determining the amount on which tax is to be computed permitted deductions shall be allowed in accordance with the law in force in the territory in which the tax is imposed.

(2) Where tax is imposed in the United States on the death of a person who was not domiciled in any part of the United States but was ordinarily resident in some part of the Union, or where tax is imposed in the Union on the death of a person who was not ordinarily resident in any part of the Union but was domiciled in some part of the United States, no account shall be taken, in determining the amount or rate of the tax so imposed, of property which is deemed under paragraph (2) of Article III to be situated outside the territory of the Contracting Party imposing such tax: *Provided,* That this paragraph shall not apply as respects tax imposed in the United States in the case of a United States citizen who at the time of his death was ordinarily resident in the Union.

ARTICLE V

(1) Where the United States imposes tax by reason of a decedent's being its national, the United States shall allow against so much of its tax (as otherwise computed) as is attributable to property situated in the Union a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the Union as is attributable to that property; but this paragraph shall not apply in a case to which paragraph (2) (a) or paragraph (3) is applicable.

(2) Where each Contracting Party imposes tax on any property on the death of a person who at the time of his death was—

(a) domiciled in some part of the United States but not ordinarily resident in any part of the Union, or

(b) ordinarily resident in some part of the Union but not domiciled in any part of the United States,

the Contracting Party in some part of whose territory such person was so domiciled or ordinarily resident shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the other Contracting Party as is attributable to such property; provided that this paragraph shall not apply as respects tax imposed by the United States solely by reason of a decedent's being its national which is attributable to property situated outside the United States.

(3) Where each Contracting Party imposes tax on property on the death of a person who at the time of his death was domiciled in some part of the United States and ordinarily resident in some part of the Union—

(a) in the case of any property which is deemed under paragraph (2) of Article III to be situated in the territory of one only of the Contracting Parties, the other Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to that property a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed in the territory of the first mentioned Contracting Party as is attributable to such property;

(b) in the case of any other property each Contracting Party shall allow against so much of its tax (as otherwise computed) as is attributable to the property a credit which bears the same proportion to the amount of its tax so attributable or to the amount of the other Party's tax attributable to the same property, whichever is the less, as the former amount bears to the sum of both amounts.

(4) For the purposes of this Article, the amount of the tax of a Contracting Party attributable to any property shall be ascertained after taking into account any credit, allowance or relief, or any remission or reduction of tax, otherwise than in respect of tax payable in the territory of the other Contracting Party.

(5) The allowance by the Union under this Article of a credit for tax imposed in the United States in respect of any property shall be subject to the condition that no deduction in respect of the tax so imposed shall be made for the purpose of determining the amount of the estate on which tax is chargeable in the Union.

ARTICLE VI

(1) Any claim for a credit or for a refund of tax founded on the provisions of the present Convention shall be made within six years from the date of the death of the decedent in respect of whose estate the claim is made, or, in the case of a reversionary interest where payment of tax is deferred until on or after the date on which the interest falls into possession, within six years from that date.

(2) Any such refund shall be made without payment of interest on the amount so refunded.

ARTICLE VII

With a view to the more effective imposition of the taxes to which the present Convention relates, each of the Contracting Parties undertakes to furnish to the other Contracting Party such information in the matter of taxation, which the competent authority of the former Contracting Party has at his disposal or is in a position to obtain under the laws of that Party, as may be of use to the competent authority of such other Party in the assessment of the taxes to which the present Convention relates and to lend assistance in the service of documents in connection therewith. Such information and correspondence relating to the subject matter of this Article shall be exchanged between the competent authorities of the Contracting Parties in the ordinary course or on request.

ARTICLE VIII

(1) Each Contracting Party undertakes to lend assistance and support in the collection of the taxes to which the present Convention relates, together with interest, costs, and additions to the taxes and fines not being of a penal character. The Contracting Party making such collections shall be responsible to the other Contracting Party for the sums thus collected.

(2) In the case of applications for enforcement of taxes, revenue claims of each of the Contracting Parties which have been finally determined shall be accepted for enforcement by the other Contracting Party and collected in the territory of that Party in accordance with the laws applicable to the enforcement and collection of its own taxes.

(3) The application shall be accompanied by such documents as are required by the laws of the Contracting Party making the application to establish that the taxes have been finally determined.

(4) If the revenue claim has not been finally determined the Contracting Party to which application is made may, at the request of the other Contracting Party, take such measures of conservancy as are authorized by the revenue laws of the former Party in relation to its own taxes.

ARTICLE IX

(1) In the administration of the provisions of the present Convention relating to exchange of information, service of documents, and mutual assistance in collection of taxes, fees and costs incurred in the ordinary course shall be borne by the Contracting Party to which application is made but extraordinary costs incident to special forms of procedure shall be borne by the applying Party.

(2) Documents and other communications or information contained therein, transmitted under the provisions of the present Convention by one of the competent authorities to the other shall not be used by the latter except in the performance of his duty in the determination, assessment and collection of the taxes.

ARTICLE X

(1) Such regulations as may be necessary to interpret and carry out the provisions of the present Convention may be prescribed by each of the Contracting Parties. With respect to the provisions of the present Convention relating to exchange of information, service of documents and mutual assistance in the collection of taxes, the competent authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, minimum amounts subject to collection, and related matters.

(2) The competent authorities of the two Contracting Parties may communicate with each other directly for the purpose of giving effect to the provisions of the present Convention.

ARTICLE XI

If any person liable for any of the taxes to which the present Convention relates can show that double taxation has resulted or may result in respect of such taxes he shall be entitled to lodge a claim or protest with the Contracting Party of which he is a citizen or resident, or, if a corporation or other entity, with the Contracting Party in which created or organized. If the claim or protest should be deemed worthy of consideration, the competent authority of such Party may consult with the competent authority of the other Party to determine whether the alleged double taxation exists or may occur and if so whether it may be avoided in accordance with the terms of the present Convention.

ARTICLE XII

The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the Contracting Parties in the determination of the tax imposed by such Contracting Party.

ARTICLE XIII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) The present Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to—

(a) the estates of persons dying on or after such date; and

(b) the estate of any person dying before such date and after the 30th day of June, 1944, whose personal representative elects, in such manner as may be prescribed, that the provisions of the present Convention shall be applied to such estate.

ARTICLE XIV

(1) The present Convention shall remain in force for not less than three years after the date of its coming into force.

(2) If, not less than six months before the expiration of such period of three years, neither of the Contracting Parties shall have given to the other Contracting Party, through diplomatic channels, written notice of its intention to terminate the present Convention, the Convention shall remain in force after such period of three years until either of the Contracting Parties shall have given written notice of such intention, in which event the present Convention shall not be effective as to the estates of persons dying on or after the date (not being earlier than the sixtieth day after the date of such notice) specified in such notice, or, if no date is specified, on or after the sixtieth day after the date of such notice.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Cape Town, in duplicate, in the English and Afrikaans languages, the tenth day of April, 1947.

For the Government of the United States of America:

[SEAL] T HOLCOMB

For the Government of the Union of South Africa:

[SEAL] J C SMUTS

APPROPRIATIONS FOR DEPARTMENTS OF STATE, JUSTICE, ETC.—CONFERENCE REPORT

Mr. BALL. Mr. President, I submit a conference report on House bill 3311, making appropriations for the Departments of State, Justice, Commerce, and so forth, and I ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The conference report will be read for the information of the Senate.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86; and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, $50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal."

And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,240,000"; and the Senate agree to the same

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the request for the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BALL. Mr. President, I move that the Senate agree to the report, and I wish to make a brief statement regarding what has been agreed upon by the conferees.

In respect to the information and cultural program, for which the House allowed nothing and the Senate appropriated $13,400,000, we had to reduce the appropriation by $1,000,000 in the conference; but the conferees agreed to leave the appropriation for the shortwave broadcasting program untouched and to make the reduction in other items.

The House also insisted on deleting the authorization passed by the Senate to permit the OIC to spend $5,000 for entertainment purposes.

As to the regular activities of the State Department, where the Senate allowed an increase of $1,500,000, the conferees agreed on $1,400,000.

The Senate also had increased the allowance for the research and intelligence program for the State Department by $500,000, and the conferees agreed on a $400,000 increase over the appropriation allowed by the House.

In respect to the representation allowances for Foreign Service officers, as to which the Senate had restored the amount of $500,000, placing this item at $1,000,000, the conferees agreed on $700,000.

In respect to the appropriation for international activities, with respect to which the Senate had increased the appropriation from $3,000,000 to $3,700,000, the conferees agreed upon $3,600,000.

With respect to the program of cooperation with the American Republics, the Senate had increased the appropriation from $3,000,000 to $4,300,000. The conferees agreed upon $3,900,000.

Those are the major items. The conferees reduced by $2,470,000 the allowances made in the bill as passed by the Senate, and increased by $50,000 the allowances as made by the Senate, making a net reduction from the allowances made by the Senate of $2,420,000.

Mr. President, I may state that in the appropriations for the Census Bureau, the House committee at one time proposed language, which went out on a point of order on the floor of the House,

requiring the Census Bureau to consolidate in New York City the gathering of foreign-trade statistics. That language went out on the floor of the House, and in place of it they inserted a limitation on the amount which could be spent for personal services in the National Capital. The managers on the part of the House in their report state that it is their intention that the Census Bureau consolidate in New York City the gathering of foreign-trade statistics. However, in the conference the conferees on the part of the Senate stated very plainly that it was their intention to leave with the Secretary of Commerce discretion as to where these particular statistics should be gathered. I think that should be made clear at this time in presenting the matter on the floor of the Senate.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. BALL. I yield.

Mr. LUCAS. Was any change made with respect to the amount which was restored by the Senate to take care of clerks and stenographers for Federal judges?

Mr. BALL. No; that provision was adopted by the House. That was new language, and the conferees on the part of the House approved that amendment, and took it back separately.

Mr. LUCAS. Very well. Let me ask what is the actual difference between the appropriations as passed by the House and the appropriations as finally agreed upon by the conferees?

Mr. BALL. The net increase over what the House originally allowed is $12,199,440. However, our major increases were made in the items for the Department of State. I think the net total increases for the State Department in conference, were about $16,000,000 but some of that was offset by a reduction of $2,500,000 in the amount allowed for Philippine rehabilitation, due to the fact that that program is moving so slowly.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 3311, which was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,
July 3, 1947.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 2 to said bill and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert: "employment of aliens and temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $20,000)."

That the House recede from its disagreement to the amendment of the Senate numbered 5 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "acquisition, production and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes."

That the House recede from its disagreement to the amendment of the Senate numbered 26 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert: "entertainment."

That the House recede from its disagreement to the amendment of the Senate No. 35 to said bill and concur therein with an amendment as follows: In lieu of the matter proposed to be inserted by the said amendment insert the following: "not to exceed $5,000 for entertainment."

Mr. BALL. Mr. President, I move that the Senate agree to the amendments of the House to the amendments of the Senate numbered 2, 5, 26, and 35. These are merely technical changes in language, which do not change the effect.

The motion was agreed to.

NOMINATION OF JOE B. DOOLEY

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD certain letters and communications relating to the confirmation of the nomination of Joe B. Dooley.

There being no objection, the letters and communications were ordered to be printed in the RECORD, as follows:

ENDORSEMENT OF JOE B. DOOLEY BY MEMBERS OF THE SUPREME COURT OF TEXAS

THE SUPREME COURT OF TEXAS,
Austin, June 18, 1947.

Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee,
Washington, D. C.

DEAR SENATOR: I have been intending to write you for some time concerning the confirmation of the Honorable Joe B. Dooley, of Amarillo, for United States district judge for the northern district of Texas, but have postponed writing because I had hoped the Senate would confirm this appointment without further delay.

I have known Mr. Dooley for approximately 15 years. I know him to be one of the outstanding, high-class, reputable lawyers of this State.

As evidence of his reputation for outstanding ability, the Supreme Court of Texas in 1940 appointed him as one of a committee of 21 members to rewrite the rules of civil procedure of this State. I served with him on that committee and I know that he rendered outstanding service to his State. As evidence of his standing among the members of the bar of this State, he was elected president of the State Bar of Texas in 1944 by popular vote of the more than 8,000 members of this bar.

Mr. Dooley is conservative in his views. He is possessed of a judicial temperament, and by training and experience is fully qualified for the position. Certainly you and your colleagues could have no objection to him on this score.

It seems to me that it would have a very demoralizing effect on the judiciary of this Nation if a fine, outstanding, reputable, unblemished lawyer could not secure confirmation by the Senate to an appointment on the Federal judiciary. I fear that this would be construed by those inexperienced in public affairs as evidence that legal ability and honorable reputation are not of controlling importance in the selection of men for the judiciary.

I hope you will see your way clear to use your influence in bringing about the confirmation of Mr. Dooley.

Most sincerely yours,
JAMES P. ALEXANDER.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. JOE DOOLEY,
Care, Senator Tom Connally,
Washington, D. C.

DEAR MR. DOOLEY: I heartily desire that the Senate adopt the majority report of its Judiciary Committee recommending your selection to succeed District Judge Wilson, of Fort Worth. I know of no better selection that could be made.

Please make such use of this letter as a recommendation in your behalf as you deem will be most helpful.

It is perhaps unnecessary to add what is already known to you, that this recommendation is given wholly without your solicitation.

Yours sincerely,
W. M. TAYLOR,
Associate Justice of
Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR TOM: I understand that the Senate will soon vote on the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas.

I have known Joe Dooley for many years. He is one of the outstanding lawyers of Texas. He has been honored by the bar many times, and was elected president of the Texas Bar Association. He filled that office with ability and distinction. He enjoys the confidence and respect of a great majority of the lawyers of Texas, and is preeminently fitted to fill this office. He has the patience, the ability, the courage, and the fairness to make an ideal judge. I heartily recommend him to the Senate of the United States for confirmation.

Your friend,
JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. ALEXANDER WILEY,
United States Senator,
Washington, D. C.

DEAR SENATOR WILEY: I understand that the confirmation of Joe B. Dooley as United States district judge for the northern district of Texas will soon come before the Senate for a vote. I want to say that I have known Joe Dooley for many years. He is one of the outstanding lawyers of this State. He has

been honored by the lawyers of this State in many instances, and only a short while ago he was elected president of the Texas Bar Association. He filled that office with ability and distinction.

Joe Dooley is an exceptionally able lawyer. He has the poise, ability, character, courage, and fairness that will make him an ideal judge. In my judgment, there will be no mistake made if the Senate confirms Joe Dooley for this position.

With best regards, I am,

Yours sincerely,

JOHN H. SHARP.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CONNALLY: The difficulty you have been experiencing in obtaining a speedy confirmation of the appointment of Hon. Joe B. Dooley as United States district judge for the northern district of Texas has occasioned me great concern, because it rather occurs to me that if Mr. Dooley is not qualified for the position, scarcely any lawyer at the Texas bar would be. I have known him and known of him for a long time, and I know of not the slightest factual reason, nor have I observed any suggested in the newspaper dispatches concerning the hearings on his confirmation, which would argue at all against the Senate's confirming him. He is an able, honorable, and patriotic citizen. I earnestly hope his appointment is confirmed soon.

Sincerely yours,

GORDON SIMPSON.

THE SUPREME COURT OF TEXAS,
Austin, June 25, 1947.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

DEAR SENATOR CONNALLY: For what it may be worth, I want to add to the many you have doubtless received my expression of the hope that the Senate will confirm the appointment of Joe Dooley as United States district judge.

I have known Joe Dooley well for many years and am acquainted with his reputation as a lawyer and as a man, have been in the trial of cases with him and have heard him argue cases and have studied his briefs in this court.

In my opinion the appointment of him is a splendid appointment, and he is eminently fitted and qualified for the high office.

With very best wishes to you, I am,

Sincerely yours,

GRAHAM B. SMEDLEY.

THE SUPREME COURT OF TEXAS,
Austin, June 26, 1947.

Hon. TOM CONNALLY,
Senate Office Building
Washington, D. C.

MY DEAR SENATOR CONNALLY: Allow me to take this opportunity of unhesitatingly joining the many friends of he Honorable Joe Dooley, of Amarillo, Tex., in attesting his qualifications to become a district judge of the Federal court in Texas.

I have known Mr. Dooley rather intimately for the past 15 years. I know him to be an outstanding citizen and a most eminent lawyer. He has, in my opinion, every essential qualification necessary for a good judge. I therefore commend you for your action in urging his approval by the distinguished body of which you are a worthy member.

Assuring you of my high esteem, I am,

Yours very truly,

C. S. SLATTON,
Associate Justice, Supreme Court of Texas.

THE SUPREME COURT OF TEXAS,
Austin, May 12, 1947.

Hon. FORREST C. DONNELL,
United States Senator from Missouri,
Washington, D. C.

DEAR SENATOR DONNELL: While the Senate Judiciary Committee had under consideration the nomination by the President of Hon. J. B. Dooley for district judge of the northern district of Texas, I refrained from writing to any member of the committee. It was and is my view that your committee was called upon to exercise a very high degree of discretion, and I did not feel at liberty to write you with respect to how that discretion should be exercised. Now that I observe that you voted for a favorable committee report, I write to assure you that your vote was in the interest of a strong and independent judiciary. I have known Mr. Dooley for 35 years. He possesses the qualifications, temperament, and character required of one who would make a great judge, and it is my belief that his every action as a judge would be in keeping with the best traditions of the bench and bar.

Yours very truly,

J. E. HICKMAN.

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 3, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

DEAR SENATOR CONNALLY: I understand that some time in the near future Judge James C. Wilson, Federal judge of the northern district of Texas, will retire from his office. When this or any other vacancy occurs in such district, I would like to recommend Hon. Joe B. Dooley, of Amarillo, for the appointment.

In my opinion, Mr. Dooley would make a great Federal judge. As you well know, he has the correct judicial temperament and the legal ability. He is one of the outstanding lawyers of west Texas and, all things being equal, it appears to me that his part of the district is entitled to due consideration in this appointment. I hope you will see fit to give Mr. Dooley your support in this appointment. It would greatly please me and thousands of others in that section of Texas.

With best wishes for your continued success, I remain,

Sincerely,

A. J. FOLLEY
(Now member of State supreme court).

STATE OF TEXAS,
THE COMMISSION OF APPEALS,
Austin, August 16, 1944.

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: It is currently reported that our mutual friend Hon. James C. Wilson contemplates an early retirement from the bench. I understand that among others whose names have been suggested for appointment as his successor, is J. B. Dooley of Amarillo. I have not seen Mr. Dooley lately and he will be wholly surprised to learn about this letter. He has not communicated with me directly or indirectly about the matter.

What I want to write you is this: On the basis of character, learning, and judicial temperament he has no superior in the entire district served by that court. So far as I know, he has never held public office but has given himself to the practice of law and to the discharge of the duties of a real citizen. To my mind it would add much to the judiciary if he were named to this office. I have no idea what other names are before you for consideration, but I hope that the question of appointment is still an open one and that Mr. Dooley may have your usual careful consideration.

With assurances of continued personal regards, I am,

Sincerely yours,

J. E. HICKMAN.

ENDORSEMENT OF JOE B. DOOLEY BY EX-SENATOR OF NEW MEXICO AND PRESENT MEMBER OF UNITED STATES CIRCUIT COURT OF APPEALS, TENTH CIRCUIT, HON. SAM G. BRATTON

TENTH CIRCUIT,
UNITED STATES CIRCUIT COURT
OF APPEALS,
Albuquerque, N. Mex., September 20, 1944.

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.

MY DEAR TOM: Some of my friends of earlier days in the Panhandle who are also your personal friends, have urged that I cooperate with them in the effort which they are exerting to bring about the appointment of Mr. Joe Dooley, of Amarillo, as Federal judge to succeed Judge Wilson, as and when he retires.

Residing outside the district, and being a member of the judiciary myself, I must keep well within recognized proprieties. Yet I am persuaded that it may not be altogether inappropriate to say a personal word to you respecting the ability and character of Mr. Dooley. Of course, I would not assume for a moment to go beyond that point and discuss other features of the situation.

I have known Joe Dooley personally and professionally for more than 25 years, and based upon that acquaintance, it is a privilege to assure you that he is a man of extraordinary legal ability, and of unquestioned character. In addition to being in the prime of vigorous life with the promise of many useful years ahead, he has the poise, temperament, industry, and other attributes for distinguished service of the highest order on the Federal bench.

Turning to a personal vein, it has been a long, long time since we met. If your trail ever leads out this way, make sure to let me know as I should like so much to visit with you once more before time lays too heavy a hand on both of us. Meanwhile, accept my best wishes always.

Cordially yours,

Hon. SAM G. BRATTON.

ENDORSEMENT OF JOE B. DOOLEY BY PRESIDENT OF STATE BAR OF TEXAS

BAKER, BOTTS, ANDREWS & WALNE,
Houston, February 20, 1947.

Hon. FORREST C. DONNELL,
United States Senate,
Washington, D. C.

DEAR SENATOR DONNELL: As my acquaintance with Republican Senators is somewhat limited, I take advantage of our acquaintance and friendship to write you on a matter in which I am deeply interested. I refer to the nomination by the President of the Honorable Joe B. Dooley, of Amarillo, Tex., as judge of the United States District Court for the Northern District of Texas. In view of the fight which is being staged by the junior Senator from Texas, the matter has assumed more than local importance.

There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during

that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment.

With warm personal regards, I remain,

Sincerely yours,

JAS. L. SHEPHERD.

BAKER, BOTTS, ANDREWS & WALNE,
Houston, June 2, 1947.

G–10
Federal Judiciary Appointments
Mr. FRANCIS H. INGE,
Mobile, Ala.

DEAR MR. INGE: This is in reply to your letter of the 28th regarding the qualifications of Joe Dooley, of Amarillo, who has been nominated for judge of the United States district court for the northern district of Texas. I have known Joe Dooley intimately for 35 years, and he was president of our State bar 2 years ago. There is not the slightest question about his preeminent qualification for this job and he ought to be confirmed. As president this year of the State bar of Texas I have had some correspondence with Senator WILEY regarding Mr. Dooley, and I have also written Senator DONNELL, of Missouri, who is on the Judiciary Committee. I think you may be interested in the following which I quote from my letter (written individually and not in any official capacity) to Senator DONNELL:

"There can be no question about the fact that the nominee is peculiarly well fitted for this position. He is a man of the highest character, of splendid ability as a lawyer, eminently fair, of a quiet, balanced, and judicious temperament, and in every way preeminently qualified for this position. He is not a New Dealer, but a man who believes as you and I do in the basic soundness of our method of government and is deeply interested in seeing that it is preserved. He was president of our State bar 2 years ago and the speeches which he made during that year are matters of record in this State. No one could read them without being satisfied as to the basic soundness of his social, economic, and political views. I have known him intimately for over 35 years and I am speaking from my own observation and information and not from hearsay.

"As I understand the matter of Dooley's appointment will be contested by the junior Senator from Texas before the Senate, I want you to know these facts. It is particularly unfortunate that the Senator from Texas should have chosen this time to stage a fight on the President's nominee, since here we have a man who is the very kind of man that we lawyers have wanted to see on the Federal bench, a man selected solely for his qualifications without regard to politics. If he should fail of confirmation, I believe that would be a blow to the cause of the lawyers in seeking to remove the judiciary from politics.

"I trust you will not consider it inappropriate that I write you on this subject. It is of such importance to my mind that I feel justified in doing so, and I sincerely hope that you will vote to confirm Mr. Dooley's appointment."

Further answering your letter, I give you the following attorneys in the northern district of Texas in whose opinion on a matter of this kind I would have the utmost confidence: H. C. Pipkin, box 59, Amarillo; H. H. Cooper, box 1987, Amarillo; W. N. Stokes, Court of Civil Appeals, Amarillo; A. H. Britain, 825 Hamilton Building, Wichita Falls; Luther Hoffman, 630 Harvey-Snyder Building, Wichita Falls; Orville Bullington, box 1889, Wichita Falls; C. C. Renfro, Republic Bank Building, Dallas; J. Cleo Thompson, Kirby Building, Dallas; George S. Wright, Republic Bank Building, Dallas.

I do not suggest the names of any Fort Worth attorneys in view of the situation which has developed with reference to Senator O'DANIEL and his suggestion of other nominees from Fort Worth. I feel sure, however, that any reputable lawyer in Fort Worth would not say otherwise than that Joe Dooley is well qualified for this position.

Sincerely yours,

JAS. L. SHEPHERD, Jr.

RESOLUTIONS OF COUNTY BAR ASSOCIATIONS AND GROUPS OF LAWYERS ENDORSING JOE B. DOOLEY AS FEDERAL JUDGE

TAHOKA, TEX., *January 29, 1947.*

Senator TOM CONNALLY,
Senate Office Building,
Washington, D. C.:

We who have known Judge Joe Dooley for many years and practiced with him know him as a man of the finest character and legal ability and hope you will do your utmost to have him confirmed as United States district judge for northern district of Texas.

TOM GARRARD,
County Judge.
W. C. HUFFAKER, Jr.,
District Attorney.
B. P. MADDOX,
County Attorney.
TRUETT SMITH,
Attorney.
ROLLIN MCCORD,
Attorney.

FORT WORTH, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
United States Senate:

As practicing attorneys at the Fort Worth bar, we are interested in having a lawyer of the highest integrity and known ability appointed to the Federal bench, and we know Joe B. Dooley has these qualifications. We therefore earnestly urge his confirmation by the Senate.

Melvin F. Adler, Benjamin L. Bird, Homa S. Hill, Lawrence Tarlton, W. E. Allen, R. B. Cannon, T. R. James, David B. Trammell, Frank [illegible]. Appleman, Dawson Davis, Jack M. Langdon, Herbert C. Wade, D. O. Belew, L. L. Gambill, R. F. Milam, Fred L. Wallace, Lem Billingsley, H. S. Garrett, W. M. Short, Harry C. Weeks, Frank J. Wren.

MINERAL WELLS, TEX., *January 20, 1947.*

Senator TOM CONNALLY,
Care Senate Judiciary Subcommittee:

Palo Pinto County Bar Association endorses Joe B. Dooley nomination to Federal bench and recommends confirmation.

W. O. GROSS.

LUBBOCK, TEX., *January 17, 1947.*

Hon. TOM CONNALLY,
United States Senate,
Washington, D. C.:

We the undersigned members of the Lubbock County Bar Association very earnestly urge favorable consideration of the appointment of the Honorable Joe B. Dooley, Amarillo, Tex., as one of the judges of the United States district court for the northern district of Texas. We know Mr. Dooley is a splendid lawyer, a man of the highest integrity and character, and that he would serve with credit and distinction. All of the present judges in the northern district reside either at Dallas or Fort Worth, which are in the extreme southeastern corner of the district, necessitating litigants and attorneys in the western and northern portions of the district to travel hundreds of miles to obtain orders, etc., in litigation pending in the Amarillo, Lubbock, Wichita Falls, Abilene, and San Angelo divisions of said district, thus greatly increasing the delay and expense of such litigation. We believe that the western and northern portions of the district should have a resident judge who would be more acceptable than are the judges residing in Fort Worth and Dallas. We know Mr. Dooley meets all requirements of legal ability, high moral character, and accessibility to the division mentioned above. We will be glad, on request, to send a representative to testify before the committee on any hearing held on the confirmation.

Thomas B. Duggan, Jr., President, Lubbock County Bar Association; John M. Steele, Secretary, Lubbock County Bar Association; Turner Adams; Robert J. Allen; Sam H. Allred; Hugh Anderson; Rayford L. Ball; Roy Bass; Robert H. Bean; W. D. Benson, Jr.; E. A. Blair; Durwood H. Bradley; Ralph Brock; Dudley Brummett; Winston Brummett; Burton S. Burks; J. O. Cade; W. W. Campbell; B. B. Campbell; Charles L. Cobb; Charles C. Crenshaw; Charles C. Crenshaw, Jr.; Howard C. Davison; James G. Denton; Bryan B. Dillard; J. J. Dillard; George W. Dupree; Campbell H. Elkins; James A. Ellis; William H. Evans; Thomas B. Forbis; W. D. Girand; Tom Gordon; Lawrence F. Green; Leo S. Hay; John H. Hudspecth; F. V. Hinson; L. A. Howard; Robert Howard; R. Briggs; Irvin O. Doyle; Justice M. T. Key; James H. Kimmel; E. L. Klett; Banjamin Kucera; Victor H. Lindsey; Durwood D. Mahon; James H. Milam; George W. McCleskey; Buck W. McNeil; Owen W. McWhorter; G. V. Pardue; District Judge Jack M. Randall; A. W. Salyars; J. Orville Smith; Sam F. Steele; J. E. Vickers; James J. Vickers; Eugene H. White; George S. Berry; Lloyd Croslin; Clark M. Mullican; H. L. Pharr; G. H. Nelson.

CHILDRESS, TEX., *January 16, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We the members of the Childress County Bar earnesly solicit the confirmation of Hon. Joe B. Dooley as judge of the Federal district of the northern district of Texas.

C. C. BROUGHTON.
J. M. PRESTON.
LEONARD KING.
C. WILLIAMS.

MEMPHIS, TEX., *January 18, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

We unqualifiedly endorse and commend Joe B. Dooley, Amarillo, as a capable and efficient lawyer and citizen of highest character whose appointment as judge of the United States District Court for Northern District of Texas will meet the approval of the entire northern district of Texas and especially the Panhandle section.

T. H. Deaver, Sam J. Hamilton, A. S. Moss, T. J. Dunbar, M. O. Goodpasture, Jas. F. Smith, Thos. E. Noel, S. C. Harrison, John Russell, H. E. Tarver, John Deaver, J. A. Whaley, O. E. Bevers, J. O. Fitzjarrald, Hamilton & Deaver.

PLAINVIEW, TEX., *January 18, 1947.*

Senator TOM CONNALLY,
Senate Chamber:

The Plainview bar recognizes Joe B. Dooley as a very able and conscientious man and a resident of the northern district of Texas and urges his confirmation.

PLAINVIEW BAR ASSOCIATION,
By PEYTON B. RANDOLPH,
President.

SOUTHERN METHODIST UNIVERSITY,
Dallas, Tex., February 18, 1947

Senator TOM CONNALLY,
Washington, D. C.

DEAR SENATOR CONNALLY: Please permit me to add my voice in favor of the approval by the Senate of the appointment of Joe B. Dooley as United States district judge. I have known Mr. Dooley intimately since he was a student in my law classes at the University of Texas more than a third of a century ago. He was a clean, earnest, hard-working student, and was regarded as a leader in his class. His record as a lawyer has been in keeping with his record as a student—honest, honorable, careful, painstaking, and public spirited.

It seems impossible that he could be "personally obnoxious" to any right-thinking man. He is not a New Deal quisling or a quisling of any kind, nor is he a puppet of the the Santa Fe or any other railroad.

I think I am the only one of his law teachers still living. I am sure that I express the sentiment that Dean Townes, Judge Tarlton, Colonel Simkins, and the other outstanding law teachers of that day, if now living, would express, when I say that Joe B. Dooley is a man of excellent ability, training, and experience, and will, if approved by the Senate, make a just, upright, and able member of our Federal judiciary.

May I add that this endorsement is wholly voluntary, and was not solicited by anyone in any way.

Cordially yours,

C. S. POTTS,
Dean Emeritus.

WELLINGTON, TEX., *June 30, 1944.*

We, the undersigned lawyers of Collingsworth County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley of the Amarillo Bar for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity and temperament to serve capably in the high position of United States district judge.

R. H. COCKE.
W. M. TUCKER.
LUTHER GRIBBLE.

PAMPA, TEX., *July 15, 1944.*

We, the undersigned members of the Gray County bar, understanding that Hon. James C. Wilson, judge of the United States District Court for the Northern District of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

Arthur M. Teed, John F. Sturgeon, Aaron Sturgeon, F. O. Cary, J. W. Gordon, Jr., Wm. Jarrel Smith, R. F. Gordon, W. R. Ewing, Sherman White, B. S. Via, Bernice L. Parker, Ennis Favors, H. L. Jordan, Thomas L. Wade, Walter E. Rogers, Curtis Douglass, Clifford Brady, C. E. Cary, Irey E Duncan.

AMARILLO, TEX., *June 12, 1944.*

We, the undersigned lawyers of Amarillo, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, hereby unreservedly endorse Mr. J. B. Dooley of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo and has been engaged in the active practice of law in both State and Federal courts for 32 years. He has a wide acquaintance with the lawyers and judiciary of our State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

Wales H. Madden, H. L. Adkins, H. M. Adkins, Chas. H. Keffer, C. R. Reeder, Alton M. Reeder, Fred C. Reeder, Ben P. Manning, Jno. H. Merchant, Perry S. Pearson, O. D. Thompson, Guy G. Clayton, B. M. Whalen, B. W. Morgan, Ben H. Stone, R. O. Stone, Riley Strickland, W. J. Fleaher, C. R. Fleaher, Canyon, Tex.; S. E. Fish, Grady L. Fox, H. C. Larkin, H. C. Byron, J. W. Buewell, W. S. Birge, Rip C. Underwood, Tom Seay, Ray C. Snodgrass, Jr., W. O. Northcutt, C. L. King, Henry S. Bishop, J. M. Oakes, E. L. Pitts, Clayton Heare, W. N. Stokes, A. A. Lumpkin, W. W. Gibson, G. V. Little, Erwin C. Ochsner, W. H. Brian, Rosom Lambdin, Frederick Gray, E. T. Scott, R. E. Underwood, Ray C. Johnson, R. A. Wilson, Hugh L. Umphris; W. B. Sanders, R. Winton, R. S. Trippet, Ralph B. Burgess, E. C. Nelson, Jr., John R. Cullingin, W. F. Nix, P. F. Sapp, E. D. Slough, F. E. Wooten, M. T. Brothers, Earl Wyatt, J. L. Cogwell, E. A. Simpson, Henry T. Ford, Warren M. Sparks, Hugh L. Umphris, Jr., W. A. Eskew, Ed M. Lufton, F. H. McGregor.

RESOLUTION BY HIDALGO COUNTY, TEX., BAR ENDORSING HON. JOE B. DOOLEY

Whereas the Honorable Joe B. Dooley of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

Whereas Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II: Now, therefore, be it

Resolved, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment.

Resolution unanimously adopted this the 14th day of March 1947.

J. C. HALL,
President of Hidalgo County Bar.

The STATE OF TEXAS,
County of Parmer, ss:

On this, the 11th day of April A. D. 1947, there was held a meeting of all of the attorneys of the Farwell bar to discuss the pending appointment of a Federal district judge to succeed Judge Wilson;

And each attorney present, having strongly expressed himself as favoring the appointment of Joe B. Dooley, of Amarillo, based on his personal integrity, his outstanding ability as a practitioner, and his unquestioned qualification for this high office: It is, therefore

Resolved, That this group, constituting all of the attorneys in Farwell, Tex., vigorously recommend the appointment of Mr. Dooley, and that a copy of this resolution be sent to the Senate Judiciary Committee and one to each of the United States Senators from Texas.

A. D. SMITH.
ROY COOK.
JAMES D. HAMLIN.
ERNEST F. LOKEY.
SAM ALDRIDGE.
JOHN ALDRIDGE.

ABILENE, TEX., *March 1, 1947.*

United States Senate, Washington, D. C.

GENTLEMEN: The Abilene Bar Association, duly convened for its regular monthly luncheon, on motion duly seconded and carried, unanimously request that you immediately approve the appointment of the Honorable Joe Dooley, of Amarillo, the United States district judge for the northern district of Texas.

In our judgment, there is no better qualified man for this job in the Northern District of Texas.

This the 1st day of March 1947.

P. W. HAYNIE,
President of Abilene Bar Association.
N. ALEX BIRKLEY,
Secretary of the Abilene Bar Association.

Hon. ALEXANDER WILEY,
Chairman, Judiciary Committee,
United States Senate,
Senate Office Building,
Washington, D. C.:

Personally I urge the confirmation of J. B. Dooley of Amarillo, Tex., as United States

district judge for the northern district of Texas. Judge Dooley has all professional and personal qualifiçations for this office. He is a lawyer of highest ability, unquestioned integrity, and has the confidence and respect of the lawyers of Texas.

H. B. THOMAS,
President, Bar Association of Dallas.

HARLINGEN, TEX., *February 4, 1947.*
Senator TOM CONNALLY,
Washington, D. C.:

I respectfully endorse the nomination of Hon. Joe B. Dooley, of Amarillo, for judge of the western district of Texas. He is held in high esteem by the bench and bar of Texas and in my opinion his appointment is one of the best made during my legal experience. He possesses the attributes of character, judicial temperament, and moral integrity of the highest degree and will reflect credit upon the Federal judiciary if confirmed.

CLAUDE E. CARTER,
Former President, State Bar of Texas.

DALLAS, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Senate Judiciary Committee, Washington, D. C.:

As president of the Junior Bar Association of Dallas, I want to urge confirmation of Joe Dooley as United States district judge. He is capable, well qualified, and stands high in the esteem of the Texas bar.

CLARENCE A. GUITTARD.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

As past president of Dallas Bar Association and present member house of delegates, American Bar Association, and as a practicing lawyer who has known Joe Dooley, of Amarillo, for many years, I heartily endorse his appointment as United States district judge and urge his early and unqualified confirmation by the Senate. He is an outstanding lawyer and an honorable gentleman who enjoys the respect of all who know him.

ROBERT G. STOREY.

HOUSTON, TEX., *February 5, 1947.*
Hon. ALEXANDER WILEY,
Chairman, Committee on the Judiciary, United States Senate, Washington, D. C.:

Your letter of January 30 regarding Federal judiciary nominees. As president of the State bar of Texas I have no authorization to speak for the bar on such matters but in response to your request I am glad to say, individually, that Joe B. Dooley, of Amarillo, who has been nominated for the position of judge of the District Court of the United States for the Northern District of Texas is a man of the highest character, an able lawyer, of a judicial temperament and sound political philosophy, and eminently qualified for this position. I heartily approve of the nomination and urge his confirmation.

JAS. L. SHEPHERD, Jr.

DALLAS, TEX., *February 5, 1947.*
Senator ALEXANDER WILEY,
Chairman, Judiciary Committee, United States Senate, Washington, D. C.:

I have known Joe B. Dooley intimately for more than 35 years during my law practice at Amarillo for 12 years and since coming to Dallas in 1923. I feel that I speak for myself and the great majority of the lawyers of the State when I certify to his moral character, unquestioned legal ability, and high standing in his profession. The lawyers in Dallas and throughout the State would be pleased with his confirmation. I have been vice president of the Dallas Bar Association and chairman of its executive committee, and am senior member of one of the larger law firms of Dallas.

F. M. RYBURN.

The STATE OF TEXAS,
County of Hidalgo:

The Hidalgo County Bar Association at a regular meeting held at McAllen, Tex., on the 14th day of March A. D. 1947, unanimously adopted the following resolution:

"Whereas the Honorable Joe B. Dooley, of Amarillo, Tex., has been appointed United States district judge of the northern district of Texas; and

"Whereas, Judge Dooley is known to be an admired and respected member of the profession, qualified from the standpoint of legal ability, professional ethics, and outstanding leadership, thereby fitted to fill the high responsibility which is being entrusted to him; and

"Whereas the Hidalgo County Bar Association gives its unqualified endorsement to the former administration of Judge Dooley as president of the State Bar of Texas during the trying years of World War II. Now, therefore, be it

"*Resolved*, That we, the members of the Bar Association of Hidalgo County, Tex., in formal meeting assembled, do hereby unqualifiedly endorse the appointment of the Honorable Joe B. Dooley, of Amarillo, Tex., for United States district judge of the northern district of Texas, and do hereby request the Senate of the United States to promptly confirm his appointment; be it further

"*Resolved*, That a copy of this resolution be sent to the Honorable Alexander Wiley, chairman of the Senate Judiciary Committee, United States Senate, Washington, D. C., to the Honorable Tom C. Clark, Attorney General of the United States, to the Honorable Tom Connally, and to the Honorable W. Lee O'Daniel, United States Senators from Texas."

I certify that the above and foregoing resolution was unanimously adopted by the Hidalgo County Bar Association at its regular meeting in McAllen, Tex., on the 14th day of March A. D. 1947.

J. C. HALL,
President, Hidalgo County Bar Association.

Attest:

FELIX L. MCDONALD,
Secretary, Hidalgo County Bar Association.

RESOLUTION, FORT WORTH BAR ASSOCIATION, FORT WORTH, TEX.

Pursuant to the unanimous action of the Fort Worth Bar Association at its annual meeting on October 7, 1946, a committee was duly appointed composed of R. V. Nichols, chairman, Robert C. Pepper, Luther Hudson, Sam Billingsley, and Harry L. Logan, for the purpose of drafting the following resolution urging the appointment of a Fort Worth attorney to fill the vacancy created by the retirement on August 15, 1946, of Hon. James C. Wilson, judge of the United State District Court for the Northern District of Texas:

"Whereas Hon. James C. Wilson retired as judge of the United States District Court for the Northern District of Texas on August 15, 1946, leaving a vacancy which has not been filled; and

"Whereas Fort Worth now has a population of over 312,000, and approximately 75 percent of the business of the United States District Court for the Northern District of Texas, including the various divisions thereof, is had in the Fort Worth Division of such district previously served by Judge Wilson, including both civil and criminal matters; and

"Whereas there are 531 attorneys in the city of Fort Worth and in view of the fact that the judge of the Fort Worth division is usually compelled to hold court in Fort Worth from the first of November until the last day of May, and of the further fact that any attorney appointed to fill such vacancy who may reside outside of the city of Fort Worth would necessitate undue expense upon the Government, its attorneys, litigants and their attorneys together with loss of time in the transaction of business with the court; and

"Whereas it is the opinion of the Fort Worth Bar Association that there are several qualified and capable attorneys in Fort Worth who could be appointed to this position and thereby be of greater service to the greatest number of litigants and attorneys: Therefore, be it

"*Resolved*, That the Fort Worth Bar Association does hereby and by these presents urge the recommendation and appointment of a member of the Fort Worth Bar Association as judge of the United States District Court for the Northern District of Texas, be it further

"*Resolved*, That copies of this resolution be sent to Hon. Tom Clark, Attorney General of the United States; Hon. Robert E. Hannegan, chairman of the National Democratic Executive Committee; Hon. Tom Connally, and Hon. W. Lee O'Daniel, the Texas Senators; and to Hon. Myron Blalock, Texas member of the National Democratic Executive Committee."

R. V. NICHOLS, *Chairman,*
ROBERT C. PEPPER,
LUTHER HUDSON,
SAM BILLINGSLEY,
HARRY L. LOGAN,
Resolutions Committee.

CERTIFICATE OF SECRETARY

I, R. V. Nichols, retiring secretary of the Fort Worth Bar Association, do hereby certify that the within and foregoing is a true and correct copy of resolution authorized by the Fort Worth Bar Association at its annual meeting on October 27, 1946, as same appear of record on page 406 of the permanent minute records of the association.

R. V. NICHOLS,
Retiring Secretary.

Subscribed and sworn to before me by R. V. Nichols on this the 9th day of October A. D. 1946, to certify which witness my hand and seal of office.

[SEAL] GWENDOLYNE L. MILLER.
Notary Public in and for Tarrant County, Tex.

MEMPHIS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Hall County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo, where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

A. S. MOSS, *District Judge*
S. J. HAMILTON.
C. LAND.
WM. J. BRAGG.

CHILDRESS, TEX., *June 30, 1944.*

We, the undersigned lawyers of Childress County, Tex., understanding that Hon. James C. Wilson, United States district judge for the northern district of Texas, intends to retire from active service and that a new judge will be appointed for said district, do hereby endorse Mr. J. B. Dooley, of the Amarillo bar, for such appointment.

Mr. Dooley has resided in Amarillo where he has been an active practitioner in both the State and Federal courts for more than 30 years. He has a wide acquaintance with the lawyers and judiciary of the State, and has their complete confidence and respect. He is well qualified by experience, ability, integrity, and temperament to serve capably in the high position of United States district judge.

J. ROSS BELL.
C. A. WILLIAMS.
C. C. BROUGHTON.
Q. S. BARRETT.
JAS. C. MAHAN.
LEONARD L. KING.

PLAINVIEW, TEX., *July 19, 1944.*

We, the undersigned members of the Hale County Bar, understanding that Hon. James C. Wilson, judge of the United States district court for the northern district of Texas, will retire, do hereby endorse Mr. J. B. Dooley, of Amarillo, Tex., for appointment as United States district judge to succeed Judge Wilson when he retires.

We have known Mr. Dooley for years. He is an able and active practitioner, with wide experience in legal matters and litigation in the State and Federal courts. Mr. Dooley is a native Texan, educated in Texas, and he has lived at Amarillo for more than 30 years. He is held in highest esteem by the lawyers, courts, and general public of the Panhandle. By temperament, training, experience, and integrity, he would make an excellent Federal judge.

P. B. RANDOLPH,
HAROLD M. LAFONT.
E. GRAHAM.
FRANK R. DAY.
CHAS. H. DEAN.
CHAS. B. CLEMENTS.
ALLAN N. MURRAY.

STATEMENT OF JUDGE C. B. REEDER, FORMER LAW PARTNER OF JOE B. DOOLEY, AS TO DOOLEY'S EXPERIENCE AS A CRIMINAL LAWYER

AMARILLO, TEX., *June 21, 1947.*

Hon. TOM CONNALLY,
United States Senator,
Washington, D. C.:

Hon. Joe B. Dooley was associated with me 4 years in the practice of law in Amarillo and in the Panhandle of Texas during which time we had a heavy and extensive practice of criminal law in both State and Federal courts and Mr. Dooley became an expert in the criminal law and practice. He is eminently qualified for a judge in both criminal and civil law and practice.

C. B. REEDER.

COPIES OF SOME LETTERS FROM MEMBERS OF THE BAR OF THE NORTHERN DISTRICT OF TEXAS RESPECTING SENATOR O'DANIEL POLL OF LAWYERS OF THE DISTRICT

STAMFORD, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I am in receipt of your circular letter of April 1, 1947, written to the attorneys in the northern district of Texas whose names are listed in Martindale's directory, with reference to the confirmation of J. B. Dooley, of Amarillo, for appointment as district judge for the northern district of Texas.

I have known Mr. Dooley for many years. He is a very splendid gentleman. He is a high-class lawyer whose integrity cannot be questioned.

I have been a lifelong Democrat but I have never voted for Franklin D. Roosevelt or Harry S. Truman. I would not expect to fight the administration and receive any favors at their hands, neither do I think that you can fight the administration and expect to receive any favors at their hands.

I regret that you have seen fit to smear a man of Mr. Dooley's high standing because of the fact that you and Senator CONNALLY are in patronage fight.

Yours truly,

H. G. ANDREWS.

DALLAS, TEX., *April 4, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I acknowledge receipt of your letter of April 1 with enclosed postal card for reply.

I note your statement that certain interests in Texas and Washington were tipped off that Judge James C. Wilson intended to resign, and that these certain interests wanted to be sure that their man would have the right of way over others who might seek the position; that a railroad corporate attorney appears to have taken the lead away back in 1944 in trying to railroad their man on the bench; that he traveled through the territory at that time inspiring petitions by attorneys favoring J. B. Dooley, of Amarillo, and later mailed those petitions to you.

You state that you have received several hundred letters from men and women in different walks of life vigorously opposing the confirmation of Mr. Dooley, and that you have been urged by a number of attorneys to oppose his confirmation. Also that many of these attorneys have told you that they could not let their names be used in opposition because it might injure their standing with the judge in case he is confirmed and they come before him with a case.

1. I think it was widely known in 1944 that Judge Wilson had reached, or soon would reach, the age when he might retire from the position he had held so long and so honorably, and I believe it was understood among many lawyers that he might avail himself of this privilege. His resignation certainly should not have been a matter of surprise to any lawyer in Texas.

2. The gentlemen who have advised you that they hesitated to oppose a nominee for a judicial position such as this have scarcely reflected credit upon themselves or the bar. A lawyer who would hesitate to endorse or oppose one on this account pays scant regard to the obligation he assumes when he becomes a member of the bar.

3. As a matter of fact the State Bar of Texas has affirmatively shown, as an organization, that it has a much higher conception of a lawyer's duty. At the annual convention in your city of Fort Worth, held in 1944, the State bar adopted a resolution with respect to the Supreme Court of the United States, which, after calling attention to the unhappy conditions obtaining in that Court and the damage to its prestige, as reflected by widely current criticism, declared:

"The American bar cannot ignore these conditions, or the causes which produce them, without failing in their own obligations as lawyers. It is their duty, frankly and courageously, to call them to the attention of the Court and to demand a return to 'the application of known principles and previously disclosed courses of reasoning so that the country may be delivered from the most intolerable kind of ex post facto judicial lawmaking,' the quoted language being language used by one of the Justices of the Court. To that end we direct that a copy of this resolution be forwarded to the Clerk of the Supreme Court with request that it be called to the attention of the Chief Justice."

4. I believe that the attitude of the Texas lawyers was disclosed in the debate upon this resolution by Hon. Angus Wynne, who declared:

"Mr. President, there is not a thing in that resolution that anybody could point to as politics. If we cannot talk about our Supreme Court and its actions, then we might as well dissolve the State bar."

The lawyer who is worthy of the name and "who hath his quarrel just," has never feared reprisal from the bench.

5. The resolution to which I have referred and which may be found in volume 7, No. 7, September 1944, Texas Bar Journal, was adopted at the meeting which elected Joe B. Dooley, president of the association. That meeting was not composed of railroad lawyers, politicians, or time-servers; it was composed of lawyers, profoundly conscious of their duty to the country and to the obligations which they had assumed when they became members of the bar and officers of the court.

Before receiving your letter I had already written a letter of endorsement, unsolicited by and unknown to Mr. Dooley, in the belief, of course, that he is fully qualified professionally and personally for this office.

Frankly, the letter was not written as an advocate of Mr. Dooley. It was written largely as a protest against what appears to be a practice in the United States Senate of rejecting the confirmation of anyone who is "personally distasteful" to a Senator. I do not believe that a Senator's tastes or distastes, without more, should have the slightest influence upon the course of the Senate in approving a nomination, and I believe that this is the thought of a very large majority of the people of the country.

Yours sincerely,

J. W. HASSELL.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter under date of April 1, 1947, inquiring as to my attitude as a member of the bar in the northern judicial district toward the proposed appointment of Hon. J. B. Dooley, of Amarillo, to the Federal bench has just come to my attention. By this letter I do not intend to be critical of you, for every man has a right to stand by his honest convictions, but I want to make this a positive rather than a negative letter. I would not want to sign the post card which you enclosed without having the courage to sign my name to it.

I want to say that I am not a personal friend to Mr. Dooley, but I do know of his outstanding reputation among members of the bar and people who know him generally. I have never heard his honesty, integrity nor his character impeached by anyone, nor have I heard his professional standards questioned. I believe that if he is appointed to the Federal bench that he will discharge his duties in a manner that will reflect credit to himself and honor to the position.

Yours very truly,

LLOYD CROSSLIN,
District Attorney, Seventy-second Judicial District, Lubbock, Tex.

SCARBOROUGH, YATES & SCARBOROUGH,
Abilene, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I have your letter dated April 1, 1947, asking for a straw vote on the appointment of Mr. Dooley to the Federal bench here in Texas.

I note from your letter that apparently your biggest objection to Mr. Dooley is that he might be controlled by the special interests and by big business.

For your information the firm of which I am a member represents no corporation. We represent the people and represent no special interests at all. That is true not only of this firm but of a number of other lawyers here in Abilene, and for your information the Abilene bar is wholeheartedly endorsing Mr. Dooley for the position which he is up for at this time.

I think that your reference to the railroad corporation attorney who is attempting to assist Mr. Dooley on securing this appointment is unfair as anything I have ever read. Without discussing the merits or demerits of this particular attorney who was attempting to help Mr. Dooley, I think that you will find that a great majority of the attorneys who are actively supporting Mr. Dooley do not represent the corporate interests.

Lawyers are as a breed outspoken and I do not feel that there are any reputable attorneys who would hesitate to express disapproval of Mr. Dooley if they actually felt so and who would hesitate to come out in the open against him. In the years past we have been most fortunate in the men who sit on Federal benches of Texas. In order to preserve the dignity of the Federal courts it is necessary to have a competent, well-qualified man. Mr. Dooley is such a man in my opinion in all respects.

Very truly yours,

DAVIS SCARBOROUGH.

COURT OF CIVIL APPEALS,
Amarillo, Tex., April 5, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building, Washington, D. C.

DEAR SENATOR: I have your frank and earnest inquiry of the 1st instant, relative to Joe B. Dooley of this city who has been nominated to succeed Judge James C. Wilson, as Federal judge of the northern district of Texas. I am enclosing the blank voting postal card which you sent me with my vote recorded thereon in the affirmative, but your obvious sincerity in making the inquiry prompts me to write you concerning my knowledge of and experience with Mr. Dooley.

I was district judge of the forty-sixth judicial district, consisting of the counties of Wilbarger, Hardeman, and Foard, for 8 years before coming to this court. During that time, Mr. Dooley tried a number of cases in my court and I have never had a lawyer at the trial bar who exhibited more ability as a lawyer or more fairness with the court and counsel than did Mr. Dooley. Moreover, my personal acquaintance with him has extended over a period of at least 25 years and I have never known a man whom I would consider to be more reliable, honest, and trustworthy than he. He has presented many cases on appeal to this court during the last 10 years which constitute my tenure here and in every one of them he has shown the very highest standard of professional deportment and ability.

It is difficult for any man to live a life without incurring the animosity of some of his fellows and I am sure Mr. Dooley is not an exception, but in my judgment, few men indeed could be found who possess the judicial temperament, poise, and the numerous other qualifications desired in a judge of a high and important court that are combined in Mr. Dooley.

It is quite true that he has represented corporations, both in litigation and otherwise, but few, if any, successful lawyers could be found in the country who have not done so. Corporations have a way of finding the best ones and, in my judgment, it would be difficult to find one who would not represent a corporation in a legitimate way for an adequate fee.

With best wishes for your continued success, I am,

Yours very truly,

W. N. STOKES.

ORGAIN, BELL & TUCKER,
Beaumont, Tex., April 16, 1947.

Hon. W. LEE O'DANIEL,
Member, United States Senate,
Washington, D. C.

MY DEAR SENATOR: I have been and am greatly distressed as concerns your position as regards the appointment of Mr. Joe B. Dooley as United States district judge of the northern district of Texas to succeed Judge Wilson, resigned. This is not only because of my concern for the judiciary itself—and, of course, about this, I am greatly concerned—but, also because of my friendship and regard for both you and Mr. Dooley.

I believe Mr. Dooley to be excellently qualified by training, education, and temperament for the place. I have known him for many years. He is a gentleman under all circumstances and possessed of a strict integrity. As a member of the advisory committee appointed by the supreme court of Texas to recommend for adoption rules of civil procedure authorized by the State legislature to be promulgated by the supreme court, of which committee Mr. Dooley was a member, I, as the result of my observation of Mr. Dooley's work and conduct, came to admire him greatly, not only because of his great application and the ability he exhibited, but also because of his disinterested and judicial attitude in the discussions and determination of matters coming before the committee for consideration. He was consistent always in his conception that rules be made to further substantial justice, without frustration by legal technicalities. It is true he did insist—and in this view I concurred—that in avoiding legal technicalities, neither party should be denied substantial legal rights. His consistent view is well represented in rule I, as finally recommended and adopted by the supreme court, wherein it is stated:

"The proper objectives of rules of civil procedure are to obtain a just, fair, equitable and impartial adjudication of the rights of litigants under established principles of substantive law. To the end that this objective may be attained with as great expedition and dispatch and at the least expense both to the litigants and to the State as may be practicable, these rules shall be given a liberal construction."

This rule also well exemplifies Mr. Dooley's view as concerns the objectives of courts and court proceedings generally. Mr. Dooley is well-poised in his thinking and may be relied upon to do justice between all litigants, and this without partiality.

I have been wanting to write you for a long time about this matter, but not being a resident of the northern district, although sometimes appearing before the courts therein, and because you have not asked for my views, I have until now, refrained from expressing to you my views. However, you, as a Senator, represent the whole State of Texas, and certainly this is a matter in which the whole State is interested, and also you are a Senator who, in all of your political campaigns in this State, has had my active support. I therefore feel that I can, with candor, write you stating my views.

I cannot rid myself of the feeling that your position is unjust as concerns Mr. Dooley and that your opposition to the appointment is not well placed.

There probably are those who are in agreement with you in this matter, but I have not come in contact with them, and I have discussed the matter with many, particularly with lawyers.

Mr. Bell, one of my partners, and a past president of the State Bar of Texas, is in entire accord with my views as concerns Mr. Dooley, and concurs in my view as to the attitude of the bar of Texas as it concerns Mr. Dooley and his appointment to place.

I trust that you appreciate the spirit in which this letter is written, that is, that no friend do an injustice to another friend, and that no act on your part will do an injustice to another.

As this is a matter that concerns the public interest and that he may be advised of my views, I am taking the liberty of sending a copy of this letter to Senator CONNALLY.

With every good wish, I am,

Very sincerely, your friend,

WILL E. ORGAIN.

AMARILLO, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: Your letter of April 1, 1947, gives me an opportunity to express myself concerning the appointment of Joe B. Dooley as Federal judge for the northern district of Texas. I wish to thank you for this opportunity. Enclosed is your self-addressed post card marked "Yes."

I have known Mr. Dooley and the members of his family for over 30 years. I know him to be a good father and husband, a considerate neighbor, and a Christian gentleman.

I think it can be safely said that no other lawyer in Amarillo enjoys a better reputation for honesty, integrity, and high professional attainment than does Mr. Dooley; and as a Federal judge, in my opinion, he will serve with credit to himself and honor to his countrymen. It is with pleasure that I urge the Senate confirmation of Mr. Dooley's appointment.

Sincerely yours,

JAMES G. LUMPKIN.

SANDERS, SCOTT, SAUNDERS & SMITH,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR: This replies to yours of the 22d inst. in reference to the Joe B. Dooley confirmation as Federal judge.

I approve of the course you have pursued in the Senate, and if you offer for re-election I shall support you against the field.

I disapprove of the manner in which appointments have been handled without consultation with you.

In the particular matter of the Joe B. Dooley appointment, my judgment is that it is to the best interest of the members of the bar, of the litigants, and of the public of this district generally that his appointment be confirmed. He is able, honest, industrious, and of proper judicial temperament. The personal equation will have no influence and effect on his judicial decisions. He is the kind of character who would lean backward to avoid the appearance of favoritism to a former client or friend. I know of no other lawyer or judge in the district who is better, if as well, qualified to fill that judicial position, and on the basis of merit I feel that the Senate would be doing a distinct service to the people to confirm his appointment.

I know you are seeking true information upon which to act, and I trust this will serve your purpose.

Kindest regards,

J. W. SANDERS.

AMARILLO, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, in reference to your reasons for not confirming Mr. Joe B. Dooley, of this city, for Federal judge of the northern district of Texas. I have carefully noted contents of your letter and I cannot agree with you as to your objections with respect to Mr. Dooley's nomination for Federal judge of this district.

I am of the honest opinion that Mr. Dooley, if appointed Federal judge, would render a

just and lawful opinion in any matter that came before him, regardless of who was for or against him. I do not believe that there could have been a more honorable and competent man recommended for this position.

With kindest regards, I am,

Yours very truly,

TERRY THOMPSON.

AMARILLO, TEX., *March 25, 1947.*

Mr. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SENATOR: Your letter of March 20, 1947, addressed to your friends concerning the propriety of your recommending Mr. Joe B. Dooley for appointment to a Federal judgeship is before us for attention and reply. The interests you are taking in this matter in seeing to it that an improper and unfit man be not appointed to this high and important office and position are commendable, indeed, and we all appreciate same very much.

We believe, Senator, that if you could and would come to Amarillo and investigate for yourself, you would find that Mr. Dooley is learned in the law, a fine man, splendid and good citizen, thoroughly qualified in every respect for the office, and you would also find that he could not be influenced in his actions and decisions by any railway company, corporation, combination, group, person, or any other force. He just is not that kind of a man, Senator.

It is to be regretted, Senator, that you are not personally acquainted with Mr. Dooley and know him as we do. He is the man we want, and therefore we earnestly request that you withd w all opposition and delay and unqualifiedly recommend Mr. Dooley for the appointment. You will never regret having done so, and after you learn more of the man, you will know you have served your people well.

Very truly yours,

REEDER & REEDER,
C. B. REEDER.

FARWELL, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: Acknowledging receipt of your letter of March 20 in regard to Mr. Joe B. Dooley, whose appointment as Federal judge for the northern district of Texas is pending before the Senate Judiciary Committee, would say that Mr. Dooley is one of the outstanding attorneys of the Panhandle, a man possessed of the highest moral responsibility and unquestioned integrity. The fact that two of his attorney friends, who are supporting him and who went to Washington to testify in his behalf, happen to be in the employ of a railroad corporation would in no way control his decisions in future lawsuits coming before his court should his nomination be confirmed. The "common citizen" would receive a fair and just treatment from Mr. Dooley as any corporation.

Mr. Dooley has many friends and attorneys in northern Texas, not connected with corporations, who are strongly in favor of his confirmation, and I think it is grossly unfair for anyone to insinuate that any favors would be shown to a corporation or any other client because an attorney in their employ is active in the support of Mr. Dooley for this important office.

With all good wishes and strongly urging that you lend your support to the confirmation of this good man instead of placing obstacles in his path, I remain

Yours very truly,

H. Y. OVERSTREET.

TATUM & TATUM,
Dalhart, Tex., March 25, 1947.

Hon. W. LEE O'DANIEL,
Senate Chamber, Washington, D. C

DEAR SENATOR: I wish to acknowledge receipt of your favor of March 20, being an inquiry concerning the nomination of Joe B. Dooley, of Amarillo, Tex., for appointment as Federal judge of the northern district of Texas.

I have followed the newspaper accounts of the investigation for some time and had thought of writing to you regarding the matter. It appeared to me that your objections to his confirmation were made in good faith and for the purpose of having a full, open investigation concerning his fitness and qualifications for this appointment. I have watched your activities from the time of your first election to the office of Governor, and while I have not agreed with you at all times, I have felt that you have endeavored to discharge your official duties honestly and faithfully and endeavored to inform yourself on all matters of real importance, before reaching a decision thereon.

I took it that in your opposition to the confirmation of Mr. Dooley, you felt that the importance to the public in this appointment, was such that no confirmation should be had until and after a searching investigation was made to determine whether or not anything existed that might prevent him from fearlessly discharging the duties of such high office. Therefore, I take pleasure in giving you frank and full answers to your questions propounded by your letter of March 20.

With respect to the first question, viz, "If Mr. Dooley is confirmed as Federal judge for life in your district, who do you think is likely to get the favorable decisions in future lawsuits instituted, the common citizen or the big railroad corporations whose two attorneys have worked so hard to get Mr. Dooley appointed and confirmed for lifetime judgeship?" In reply I beg to state that in my opinion both the common citizen and the railroads in any causes hereafter tried before Mr. Dooley, assuming he is appointed, will each receive absolute and impartial decisions and that if any favoritism is shown, which I do not consider would be, that same would be in favor of the common man.

I base this statement on more than 30 years' continuous acquaintance with Mr. Dooley, from personal contacts had with him in the courtroom, so metimes being associated with him and sometimes opposed, and from years of close observation of him, as well as other actual attorneys in this section of the State.

I have been engaged in the practice of law in Dalhart, Tex., since the year 1908. I have known Mr. Dooley since the year he began his practice in Amarillo. I have observed him both in the courts in Amarillo and many of the counties in this section.

I served for 2 years on the board of directors of the State bar of Texas, during 1 year of which Mr. Dooley served as president of the State bar. From such acquaintance, close contacts, and observation over the years I do not hesitate to say that Mr. Dooley is a gentleman of unquestionable integrity.

While he has at all times been loyal to his clients, at the same time he has never sought to take undue advantage of his opponent. He has at all times commanded the highest respect of the many State and Federal judges before whom he has practiced, both at trial as well as appellate courts, and had he ever been guilty of any conduct unbecoming an attorney, I am confident that I would have known of the same and that you would have no trouble in finding numerous witnesses who would testify to the same.

I am of the opinion that your fear with respect to the two railroad attorneys who made the trip to Washington in behalf of Mr. Dooley's nomination is without any basis, due to the notoriety given to the nomination and the long acquaintance he has had in this section. I have heard a large number of citizens in the immediate counties to and including Dalhart commend Mr. Dooley very highly and express the desire that when the investigation has been completed his nomination will be confirmed.

I doubt if you have had much actual experience with attorneys. Their philosophy and views of life differ materially from those of nearly every other profession. I have known attorneys who devoted the best years of their lives to representing persons charged with crimes, who were in later years appointed to the bench. Instead of displaying favoritism for persons charged before them, they not only refused to show any favoritism or consideration to the defendants charged with crimes, but were extremely severe in their judgments and very diligent in seeking to enforce the criminal laws.

I can also recall more than one attorney who has devoted the best years of his life to representing railroads and other corporations, who later went on the bench, and it was common knowledge before long that they almost became persecutors of corporations. I have yet to find a single instance where any attorney has been improperly influenced, if judged by the type of business in which he practiced his profession prior to the elevation to the bench.

As above stated, I consider Mr. Dooley not only a gentleman of the highest moral character but one endowed with such convictions of what is right and wrong that should he be elevated to the bench, neither the common man nor the corporation need fear persecution or unfair judgment from him, but win or lose, on the merits of the individual case.

With respect to your misgivings as to whether or not significance should be attached to the fact of the two prominent attorneys representing a railroad corporation going to Washington, beg to state that, if you could look at the dockets of the Panhandle counties, both in State and Federal courts, you would at once see that railroad litigation is a thing of the past. On the other hand, because it is the first opportunity the Panhandle or this section of the State has had for the appointment of a person to the Federal bench, if Washington had been nearer the Panhandle than it is, I am sure that 75 or more attorneys, nearly all of whom would represent litigants who had no corporation cases whatever, would have made the trip to Washington and urged the confirmation of Mr. Dooley's appointment. The attorneys to whom you refer (whose names I do not know) were no doubt members of firms where it was convenient for them to make the trip to Washington, without neglecting their clients' business, which would not be true of the great mass of lawyers in this section, I am confident that even stronger recommendations would have been given in Mr. Dooley's behalf by the great mass of lawyers in this section, representing individual clients, if such lawyers had had the opportunity to testify before the committee.

Thanking you for giving me the opportunity of furnishing this information and trusting that it will be helpful to you in completing the investigation of Mr. Dooley, I remain,

Yours very truly,

F. M. T.

THE FIRST NATIONAL BANK,
Amarillo, Tex., March 24, 1947.

Senator W. LEE O'DANIEL,
Washington D. C.

DEAR SENATOR: I acknowledge receipt of your letter of March 20 concerning the testimony on the Dooley appointment. I read your letter very carefully.

Concerning Mr. Dooley, I wish to advise that he is a personal friend of mine and I consider him well qualified for the Federal judgeship. He has a very excellent reputation, not only in Amarillo, but in the State at large and is, in my opinion, an excellent choice to be our Federal judge.

I fully understand the differences of opinion between you and Senator CONNALLY, but

I do not believe this should be permitted to block the appointment of a splendidly qualified man for the job.

Yours very truly,

V. P. PATTERSON,
President.

PAMPA, TEX., *March 25, 1947.*

Hon. W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, 1947. I assume this letter was mailed to me because I have been a subscriber to the W. Lee O'Daniel News. I make this assumption because I have already expressed my views to you about Joe Dooley.

You need not worry one instant about the railroad getting any upper hand. Dooley is a nice man and will be a completely fair and impartial judge. I dare say that if you will look into the petitions that have been sent you in this matter you will find listed as supporters of Dooley the lawyers who represent the common citizens that you are apparently so disturbed about in their suits against the railroad. In fact, I believe you will find more lawyers supporting Dooley who sue the railroads than those who represent the railroads. It is unimportant in either event because both types know Dooley for what he is, namely, an ideal choice for Federal judge.

Since you advise that you want my letter to show the Judiciary Committee of the Senate, I am sending a copy of such letter to the committee.

Thanking you for the opportunity which you give me of expressing my views on this highly important appointment, I am, with best wishes,

Yours very truly,

WM. JARREL SMITH.

LEVELLAND, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, asking for a blind vote by the attorneys of the northern district of Texas on the confirmation or rejection of Mr. J. B. Dooley.

I have no hesitation whatsoever in openly favoring the confirmation of Mr. Dooley to, as you quote, "a lifetime judgeship in the northern judicial district of Texas." In my opinion he is one of the most competent and qualified attorneys in this district and should you by any act or in any way be responsible for his rejection I feel that you will have committed a grave injustice not only to the citizens of the northern district but to the whole State as well.

It has been my privilege to have had the opportunity of discussing the above with attorneys from all portions of the district and it is their consensus of opinion that Mr. Dooley will make an excellent judge because he is able, active, honest, and competent.

Thanking you for your letter asking for my opinion, I am,

Very truly yours,

WELDON F. JOHNSON.

DEAR SENATOR CONNALLY: The above is my honest opinion regarding Joe Dooley. I sincerely hope you will be able to get him confirmed.

With warmest personal regards, I am,

Sincerely yours,

WELDON F. JOHNSON.

AMARILLO, TEX., *March 29, 1947.*

Hon. LEE O'DANIEL,
United States Senate,
Washington, D. C.

DEAR MR. O'DANIEL: I know that in the past several months you have received many letters in reference to Mr. Joe B. Dooley. The Dooley family have been our neighbors and intimate friends for 20 years. I know his qualifications and his professional standing. I have never heard one word of criticism in reference to his fairness, honesty, and his professional qualifications. You well know he is a lawyer of the very highest type.

The Panhandle and west Texas need him as a Federal judge and your support is most earnestly desired.

Sincerely yours,

AUGUST J. STREIT, M. D.

CISCO, TEX., *March 24, 1947.*

Senator W. LEE O'DANIEL,
Washington, D. C.

DEAR SENATOR O'DANIEL: I have your letter of March 20, requesting that the bar of the northern district of Texas express an opinion as to the qualifications of Joe B. Dooley, of Amarillo.

Although I have had several matters in Amarillo, it has been my misfortune to miss personal contact with Mr. Dooley. However, during the course of years I have heard expressions from attorneys of all classes; that is, whether they represented railroads, oil men, farmers, ranchers, or whatnot, and it is my sincere opinion that there is not a man in the northern district of Texas who would receive more general support from the better type of sincere patriotic lawyers than would Mr. Dooley.

I hope that you sent letters to the bar generally such as you sent to me because I sincerely believe that the answers to this letter will cause you to change the attitude you have heretofore maintained to his selection.

Very truly yours,

F. D. WRIGHT.

CANTEY, HANGER, MCMAHON,
MCKNIGHT & JOHNSON,
Fort Worth, Tex., April 8, 1947.

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This will acknowledge receipt of your letter of April 1, 1947, relating to the nomination of Mr. J. B. Dooley, of Amarillo, to become judge of the United States District Court for the Northern District of Texas and enclosing a card on which I might register secretly my approval or disapproval of this nomination.

My views relating to Mr. Dooley's nomination are not a secret. I wholeheartedly approve the nomination and favor his confirmation. I am mailing a copy of this letter to Senator CONNALLY.

Very truly yours,

ALFRED MCKNIGHT.

AMARILLO, TEX., *April 8, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I received your letter of April 1, 1947, asking for an expression of opinion about Joe B. Dooley, of Amarillo, Tex., who has been recommended for an appointment as a judge to the United States District Court, Northern District of Texas, Amarillo Division.

It is with a great deal of pleasure that I give you my candid and honest opinion about Joe B. Dooley. I have known Joe B. Dooley for approximately 24 years and have been in competition with him in the practice of law during all of that period. I have not had a single adverse criticism to Joe B. Dooley here in Amarillo, Tex., with reference to his morals, ability, integrity, honesty, and character. Naturally, lawyers in Texas do represent various types of clients, and it is true that Mr. Dooley represents corporations, but he also represents many citizens as well.

I also must admit that there are other men in Texas that would qualify for this job, but I do not believe that we could find a better qualified man or more honorable man than Joe B. Dooley to occupy that bench, and I know that unless there might be some particular individual who has had a grudge that all the other lawyers in the Panhandle of Texas will tell you the same thing.

Naturally, we are anxious to have a capable and well-qualified man sit on the bench before whom we try cases. We appear in Federal court quite a bit, and we are in a position to express an opinion as to what kind of a man should sit on the Federal bench. We feel that Joe B. Dooley is that kind of a man, and I hope that the Senate will confirm him, since I know that he will serve with honor and dignity for all classes of litigants and will see that justice is carried out.

Sincerely,

GIBSON, OCHSNER & LITTLE.
ERWIN C. OCHSNER.

DECATUR, TEX., *April 5, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

DEAR SIR: Replying to your favor of the 1st inst., you are advised that I have forwarded the postal card back to you with the notation over my signature that I favor the appointment and confirmation of Mr. Dooley to the Federal judgeship of the United States district court for the northern district of Texas.

You do yourself and the attorneys of the district an injustice, it seems to me, in assuming that we hesitate to express our views openly on a matter of so vital purport as that under consideration. Perhaps the mistake—if such it be—is attributable to the fact that you are not a lawyer yourself.

If you were you would understand that it is the function of the lawyer, as well as that of a judge on the bench, to interpret the law as it is written and not as he personnally would have it to be. The judge and the lawyer as well must, and in most instances does, with self-effacement give his interpretations and make his applications of the law as he understands it to be. That member of the bar or bench who is unable to do this is not worthy of the name—and from my own experience and observation he is a scarce article under our system of jurisprudence.

I considered Mr. Dooley to be a good man, a good lawyer, and of the philosophical turn of mind at law to make us a great judge. In my opinion, he will reflect great credit upon the profession and honor to himself if his confirmation is had.

You do him and yourself an injustice in opposing opposition, it seems to me.

Yours truly,

H. G. WOODRUFF.

APRIL 4, 1947.

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Our office has just received your form letter of April 1, in regard to the appointment of Judge Dooley to the judgeship in the northern district of Texas.

Frankly, Senator, I am amazed at the statements you make in this letter. For instance, you state that they got tipped off, far in advance, that Judge Wilson intended to resign. While I knew, and I am sure that you knew, that it was a matter of common knowledge to the citizens of Texas that Judge Wilson's health was such that he would be likely to resign at any time, this information has been common knowledge for a good many years, and prior to 1944. You also stated in your letter that a railroad corporation attorney appears to have taken the lead in trying to railroad their man onto the bench. I was raised at Wellington, in the Panhandle, and practiced law there a

good many years before going into the Navy, and after serving 3 years in the Navy I opened an office here in Dallas. During the time that I lived in the Panhandle I knew Judge Dooley, and not only tried cases where he was opposing counsel, but have seen him try any number of lawsuits. I have never seen or known of anything in Judge Dooley's conduct that would lead me to believe that he was a railroad attorney in the sense used in your letter. Judge Dooley is an exceptional lawyer and gentleman. If he represents any railroads, and I am sure that he does, it is because he is and was an outstanding lawyer. I do not represent any railroads, or other big corporations, but my experience has taught me that such corporations do employ outstanding attorneys, and that such attorneys are not outstanding because they are employed by corporations.

You state in your letter that one of the railroad corporation attorneys testified that there was not another man in Amarillo qualified as Judge Dooley for this office. I heartily agree, and have serious doubts if there is another man in the whole northern district of Texas who is better qualified.

Without discussing your letter further, I wish to say that I personally resent the thought that a Senator from Texas would mail out a letter containing the insinuations that your letter does and I cannot help but believe that that letter should be recalled and a fair and unbiased poll taken by your office.

I am enclosing herewith the postal card voting in favor of the confirmation of Judge Dooley.

Very truly yours,

RICHARD H. COCKE.

MATADOR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Chamber,
Washington, D. C.

DEAR SENATOR: Your letter of April 1, 1947, regarding the recommendation of Joe Dooley, of Amarillo, as successor to Judge Wilson as judge of the United States northern district of Texas has been received.

I have stayed completely out of the scrap over Mr. Dooley's nomination, but since you have written asking for votes from the attorneys of the northern district I feel that I am justified in making the following observations.

I do not know Mr. Dooley personally. I think I have met him one or two times at bar conventions, or in Austin in the supreme court. However, during my experience as a lawyer for 13 years, and through my father, who has practiced law in west Texas for 50 years, and through the other outstanding lawyers over this entire district, it has always been my understanding that Mr. Dooley was one of the best lawyers in west Texas. Long before his nomination was ever mentioned, and before Judge Wilson decided to retire (which has been known to the legal profession for several years, without any tip off) I had repeatedly heard his name mentioned as an astute, outstanding lawyer. The fact that he may represent some railroad corporation is a very strong indication that he is an outstanding attorney, and in my opinion an insinuation that he may be unfit for a Federal judgeship on that account indicates a jealousy or resentment on the part of the person making the representations that makes me question the sincerity of the person making the representations.

If I should happen to disapprove of Mr. Dooley's nomination I would not be afraid to so express myself without doing so blindly, and I cannot help but feel that a vast majority of the lawyers in this district feel the same way, and that to send them a postcard so they can cast a blind vote, thereby indicating that they desire to do so is only to impugn their character.

It is my opinion that Mr. Dooley's nomination should be confirmed, and that it is a disparagement to Texas to have their two Senators squabbling over this appointment.

Very truly yours,

JOHN A. HAMILTON.

SEYMOUR, TEX., *April 5, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

SENATOR: I am enclosing your postal card, marked "Yes," and signing my name thereto, endorsing confirmation, endorsing attorney J. B. Dooley for United States district judgeship. I am not personally acquainted with Mr. Dooley, but he has a reputation of being an able lawyer.

I do not attach the importance that you seem to, to the fact that J. B. Dooley had been endorsed by "a certain railroad corporation attorney." Most railroad lawyers recognize the ability of the different lawyers they meet in their section, and if the railroad lawyers of Amarillo endorse Mr. Dooley, Mr. Dooley must be an able lawyer, at least that is his reputation in this section of the country. So I am sending you my ballot marked "Yes."

Yours very truly,

J. A. WHEAT.

POST, TEX., *April 7, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.

MY DEAR SENATOR: Many thanks for your kind letter asking my opinion as to whether Mr. Joe B. Dooley, of Amarillo, Tex., should be confirmed as United States district judge for the northern district of Texas. I am returning your post card marked "Yes."

Mr. Dooley is well and truly personally known to me. He has appeared with me and against me in the courts. We also had ample opportunity to observe and appraise him while he was president of the State Bar of Texas. With all that knowledge of him, I certainly do not know of anything about him which would be objectionable or obnoxious to anybody. I do know that he is a very able and thorough attorney, and that his professional and personal conduct has always been highly acceptable and appreciated by his associates, both within and without the profession.

Of course, I agree with you that we have many able men in Texas, but I am quite inclined to agree with the hundred or so attorneys in Amarillo who told you Mr. Dooley was the best qualified one of them for the position. I certainly do not know of one of them up there who is as well qualified for the job as Mr. Dooley, and I am personally acquainted with most all the better known ones.

Yes; it would please me greatly to see Mr. Dooley go on the Federal bench for life. His temperament, personal character and thorough knowledge of the law would be quite becoming to the justice and dignity expected of our Federal courts. By the time you have received all the post cards, I feel confident you will also be convinced that you could do us no better service in this matter than go ahead with the confirmation of Mr. Dooley.

Thanks again for asking me.

Very sincerely yours,

JOE S. MOSS.

APRIL 7, 1947.

Hon. W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: In response to your form letter, I am returning the card as instructed, showing that I do favor Mr. Dooley.

I have been practicing law in the Panhandle portion of Texas since 1932 and have been in contact with Mr. Dooley quite often. The clientele of this office is made up of individuals rather than corporate interests and, although Mr. Dooley has, from time to time, been on the opposite side of our law suits, we have at all times found him to be fair, honest, and honorable as well as a very able lawyer.

I believe that he would make us a very good judge and I would like to see him on the Federal bench.

Yours very truly,

MERCHANT & JORDAN,
By JNO. H. MERCHANT.

LUBBOCK, TEX., *April 7, 1947.*

Senator W. LEE O'DANIEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR O'DANIEL: This is to acknowledge receipt of your letter of April 1, 1947, concerning J. B. Dooley, who has been recommended for United States district judge of the northern district of Texas to take the place of Jim Wilson.

I have known Mr. Dooley, both individually and as a lawyer, for approximately 20 years and I consider Mr. Dooley an able and honest lawyer, who, if appointed United States district judge, would meet the responsibilities of that position in a capable, efficient, and honest way. I have tried cases both with him and against him and know of his reputation with the courts, and I would have no hesitancy in recommending him for the judgeship of the United States district for the northern district of Texas.

Yours very truly,

JACK M. RANDAL.

FORT WORTH, TEX., *April 12, 1947.*

Hon. W. LEE O'DANIEL,
United States Senator,
Washington, D. C.:

Have known J. B. Dooley 35 years personally and professionally. As your friend I heartily endorse him and recommend his confirmation. Best wishes.

SAM R. SAYERS.

LEAVE OF ABSENCE

Mr. DOWNEY. Mr. President, it is essential, in the interest of public business, that I absent myself from the Senate during next week. I ask the consent of the Senate to that end.

The PRESIDENT pro tempore. Without objection, leave is granted.

THE CALENDAR

Mr. McCARRAN. Mr. President, I understand that the call of the calendar is not to be commenced at the beginning of the calendar.

The PRESIDENT pro tempore. It is to commence with order No. 347.

Mr. McCARRAN. The unanimous-consent agreement states that the Senate will proceed to the consideration of bills on the calendar to which there is no objection. That means the whole calendar. It does not say anything about order No. 347. I do not want to be captious about it, but there are some other matters which I should like to see disposed of.

Mr. WHERRY. Mr. President, let me suggest to the distinguished Senator from Nevada that I did not include in the unanimous-consent request order No. 347, Senate bill 1461. However, it has been our custom and tradition to begin at the point where the last call of the calendar was concluded, and I certainly had that in mind when I made the request.

I suggest to the Senator from Nevada that we proceed from that number. If there is time afterward, it will be possible to have the Senate proceed to the consideration of other matters, if the Senator from Nevada wishes to have that done.

Mr. McCARRAN. Mr. President, there are one or two other matters which I should like to have taken up at this time.

Mr. WHERRY. I beg of the Senator to withhold any such request until we complete the call of the calendar, from order No. 348, on.

Mr. McCARRAN. Probably there will not be very many Senators in attendance at the time when the call of the calendar is completed.

Mr. WHERRY. I have asked Senators to remain, and I think a number of Senators will do so. Apparently all other Members of the Senate have that understanding. I have asked that the call of the calendar begin with Calendar No. 348, House bill 1585.

Mr. McCARRAN. If the Senator from Nebraska wishes to have the calendar called, beginning with that number, I shall defer my request.

Mr. WHERRY. I thank the Senator.

Mr. RUSSELL. Mr. President, I think it would be very unfortunate to have measures on the calendar ahead of that point called at this time. Senators have heretofore objected to the consideration of certain of the preceding measures, and not all of them may be present at this time.

Mr. McCARRAN. I withdraw my request.

The PRESIDENT pro tempore. The Senator has withdrawn his request.

The clerk will proceed to state the measures on the calendar, beginning with Calendar No. 348.

ADOLPH PFANNENSTIEHL

The Senate proceeded to consider the bill (H. R. 1585) for the relief of Adolph Pfannenstiehl, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 5, after the words "sum of", to strike out "$1,000" and insert "$750."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

HUGH C. GILLIAM

The Senate proceeded to consider the bill (H. R. 1956) for the relief of Hugh C. Gilliam, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "$1,000" and insert "$500."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

PAUL GOODMAN

The bill (H. R. 1866) for the relief of Paul Goodman was considered, ordered to a third reading, read the third time, and passed.

SANTIAGO NAVERAN

The bill (S. 186) for the relief of Santiago Naveran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is directed to cancel forthwith any warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of the alien Santiago Naveran, and is directed not to issue any such further warrants or orders in the case of such alien, insofar as any such further warrants or orders are based upon the same grounds as the warrants or order required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Santiago Naveran, who arrived at Tampa, Fla., on or about July 7, 1924, as a seaman on the steamship *Sec. II*, which he deserted on or about July 10, 1924, shall, upon the payment of the required head tax, be held and considered to have been lawfully admitted to the United States for permanent residence at such place and on such date. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that such quota becomes available.

ANTONIO ARGUINZONIS

The bill (S. 187) for the relief of Antonio Arguinzonis was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Antonio Arguinzonis, of Shoshone, Idaho, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of the said Antonio Arguinzonis upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

SIMON FERMIN IBARRA

The bill (S. 189) for the relief of Simon Fermin Ibarra was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws, Simon Fermin Ibarra, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on March 14, 1940, the date of his actual entry into the United States, upon the payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Simon Fermin Ibarra upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this Act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

RELIEF OF CERTAIN BASQUE ALIENS

The bill (S. 298) for the relief of certain Basque aliens was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States is hereby authorized and directed to cancel deportation proceedings in the cases of Pedro Bastida and Fidel Acordarrementeria, both of Battle Mountain, Nev., legally admitted as seamen but who have remained in the United States longer than permitted by law and regulations, and that these aliens shall be considered as having been admitted for permanent entry as of the date of their actual entry on the payment of the visa fee of $10 and the head taxes of $8 per person.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the Spanish quota for the first year that the said Spanish quota is available.

BILLS PASSED OVER

The bill (S. 489) to amend the Nationality Act of 1940, to preserve the nationality of naturalized veterans, their wives, minor children, and dependent parents, was announced as next in order.

Mr. LODGE. Mr. President, I desire to have an explanation of the bill.

Mr. WILEY. Mr. President, this bill extends to veterans of World War II, their wives, minor children, and dependent parents, the exemption presently afforded veterans of the Spanish-American War and World War I, their wives, minor children, or dependents, from the operation of the present law which provides for loss of nationality under certain circumstances.

Mr. LODGE. Does the bill apply to naturalized citizens who served in the armed forces during the war? Is that the purpose?

Mr. WILEY. My understanding is that it applies to veterans of World War II, their wives, minor children, and dependent parents, and would place them in the same category with veterans of the Spanish-American War and veterans of World War I.

Mr. LODGE. In what respect?

Mr. WILEY. Section 404 of the Nationality Act provides for the loss of nationality by a person who has acquired his citizenship by naturalization, if such person resides for more than 2 years in a territory of a foreign country of which he was formerly a national or in which he was born.

Under the previous law, if such persons were out of the United States for more than 2 years, they would lose their nationality. But we took into consideration the fact that under the circumstances of war that happens to many veterans and, in some cases, to their wives.

Mr. LODGE. Is it meant that foreign-born veterans who had been naturalized would lose their citizenship by going overseas?

Mr. WILEY. I understand that, under the previous statute, under certain circumstances naturalized citizens who live abroad for 2 years lose their citizenship.

Mr. RUSSELL. I ask that the bill go over.

Mr. WHERRY. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 518) to amend the Nationality Act of 1940 to preserve the nationality of citizens who were unable to return to the United States prior to October 14, 1946, was announced as next in order.

Mr. WHERRY. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

PEDRO UGALDE

The bill (S. 190) for the relief of Pedro Ugalde was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the immigration and naturalization laws Pedro Ugalde, of Twin Falls, Idaho, shall be held and considered to have lawfully entered the United States for permanent residence on May 18, 1940, the date of his actual entry into the United States, upon payment by him of the visa fee of $10 and the head tax of $8; and the Attorney General is authorized and directed to discontinue any deportation proceedings which may have been commenced in the case of Pedro Ugalde upon the ground of unlawful residence in the United States.

SEC. 2. Upon the enactment of this act, the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

MICHAEL SOLDO

The bill (S. 558) for the relief of the alien Michael Soldo was considered, ordered to be engrossed for a third read-in, read the third time, and passed, as follows:

Be it enacted etc., That for the purpose of the immigration and naturalization laws, the alien Michael Soldo, of West Palm Beach, Fla., whose wife and minor child are citizens and residents of the United States, shall be considered to have been lawfully admitted, at Detroit, Mich., on October 15, 1936, to the United States for permanent residence.

RETIREMENT OF CERTAIN NAVAL OFFICERS

The bill (H. R. 3251) to amend the act of July 24, 1941 (55 Stat. 603), as amended, so as to authorize naval retiring boards to consider the cases of certain officers, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

DISPOSITION OF SURPLUS AIRPORTS AND AIRPORT FACILITIES

The bill (S. 364) to expedite the disposition of Government surplus airports, airport facilities, and equipment and to assure their disposition in such manner as will best encourage and foster the development of civilian aviation and preserve for national-defense purposes a strong, efficient, and properly maintained Nation-wide system of public airports, and for other purposes, was announced as next in order.

Mr. RUSSELL. Mr. President, may we have an explanation of the bill?

Mr. TAFT. Mr. President, yesterday the Senator from Connecticut [Mr. BALDWIN] wished to have this bill taken up. I think perhaps the Senator from Oregon [Mr. MORSE], who is a member of the Armed Services Committee, can tell about the bill. The purpose is to permit Government surplus airports to be disposed of to cities and counties, I believe. The bill has been worked over by the Armed Services Committee, and a number of objections to the bill have been met, but I am not familiar with the details.

Mr. MORSE. Mr. President, let me add this to what the Senator from Ohio has said: The bill comes to the Senate with the unanimous approval of the Armed Services Committee. For a time the Senator from Virginia [Mr. BYRD] joined with me in one objection to the bill. That objection was worked out with the Senator from Connecticut [Mr. BALDWIN] so as to make certain that when the facilities are disposed of to municipalities or to State government agencies, the facilities that could be used for commercial or industrial purposes, over and beyond aviation purposes at the airports, would be required to be sold by the Surplus Property Administration for a fair return, in line with the policies of the War Assets Administration.

With that amendment to the bill—and that amendment was agreed to and written into the bill—the Senator from Virginia and I joined in the vote to report the bill to the Senate.

The bill makes it possible to make a fair disposal of these airports that are needed by many municipalities in the United States for municipal airport purposes. We think the bill is fair and reasonable and makes it possible to expedite the disposal of these airports.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 364), which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause and insert:

That subsection (c) of section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is amended to read as follows:

"(c) No harbor or port terminal, including necessary operating equipment, shall be otherwise disposed of until it has first been offered, under regulations to be prescribed by the Administrator, for sale or lease to the State, political subdivision thereof, and any municipality, in which it is situated, and to all municipalities in the vicinity thereof."

SEC. 2. Section 13 of the Surplus Property Act of 1944 (58 Stat. 765), as amended, is hereby amended by adding a new subsection (g) reading as follows:

"(g) (1) Notwithstanding any other provision of this act, any disposal agency designated pursuant to this act may, with the approval of the Administrator, convey or dispose of to any State, political subdivision, municipality, or tax-supported institution, without monetary consideration to the United States, but subject to the terms, conditions, reservations, and restrictions hereinafter provided for, all of the right, title, and interest of the United States in and to any surplus real or personal property (exclusive of property the highest and best use of which is determined by the Administrator to be industrial and which shall be so classified for disposal without regard to the provisions of this subsection) which, in the determination of the Administrator of Civil Aeronautics, is essential, suitable, or desirable for the development, improvement, operation, or maintenance of a public airport as defined in the Federal Airport Act (60 Stat. 170) or reasonably necessary to fulfill the immediate and foreseeable future requirements of the grantee for the development, improvement, operation, or maintenance of a public airport, including property needed to develop sources of revenue from nonaviation businesses at a public airport.

"(2) Except as provided in paragraph (3) hereof, all property disposed of under the authority of this subsection shall be disposed of on and subject to the following terms, conditions, reservations, and restrictions:

"(A) No property disposed of under the authority of this subsection shall be used, leased, sold, salvaged, or disposed of by the grantee or transferee for other than airport purposes without the written consent of the Administrator of Civil Aeronautics, which consent shall be granted only if the Administrator of Civil Aeronautics determines that the property can be used, leased, sold, salvaged, or disposed of for other than airport purposes without materially and adversely affecting the development, improvement, operation, or maintenance of the airport at which such property is located: *Provided*, That no structures disposed of hereunder shall be used as an industrial plant, factory, or similar facility within the meaning of section 23 of this act, unless the public agency receiving title to such structures shall pay to the United States such sum as the Administrator shall determine to be a fair consideration for the removal of the restriction imposed by this proviso.

"(B) All property transferred for airport purposes shall be used and maintained for the use and benefit of the public, without unjust discrimination.

"(C) No exclusive right for the use of the airport at which the property disposed of is located shall be vested (either directly or indirectly) in any person or persons to the exclusion of others in the same class. For the purpose of this condition, an exclusive right is defined to mean—

"(1) any exclusive right to use the airport for conducting any particuuar aeronautical activity requiring operation of aircraft;

"(2) any exclusive right to engage in the sale or supplying of aircraft, aircraft accessories, equipment, or supplies (excluding the sale of gasoline and oil), or aircraft services necessary for the operation of aircraft (including the maintenance and repair of aircraft, aircraft engines, propellers, and appliances).

"(D) The grantee shall, insofar as it is within its powers, adequately clear and protect the aerial approaches to the airport by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

"(E) During any national emergency declared by the President or by the Congress, the United States shall have the right to make exclusive or nonexclusive use and have exclusive or nonexclusive control and possession, without charge, of the airport at which the surplus property is located or used, or of such portion thereof as it may desire: *Provided, however*, That the United States shall be responsible for the entire cost of maintaining such part of the airport as it may use exclusively, or over which it may have exclusive possession and control, during the period of such use, possession, or control, and shall be obligated to contribute a reasonable share, commensurate with the use made by it, of the cost of maintenance of such property as it may use nonexclusively or over which it may have nonexclusive control and possession: *Provided further*, That the United States shall pay a fair rental for its use, control, or possession, exclusively or nonexclusively, of any improvements to the airport made without United States aid.

"(F) The United States shall at all times have the right to make nonexclusive use of

the landing area of the airport at which the surplus property is located or used, without charge: *Provided, however,* That such use may be limited as may be determined at any time by the Administrator of Civil Aeronautics to be necessary to prevent undue interference with use by other authorized aircraft: *Provided further,* That the United States shall be obligated to pay for damages caused by such use, or if its use of the landing area is substantial, to contribute a reasonable share of the cost of maintaining and operating the landing area, commensurate with the use made by it.

"(G) Any public agency accepting a conveyance or transfer of surplus property under the provisions of this subsection shall release the United States from any and all liability it may be under for restoration or other damages under any lease or other agreement covering the use by the United States of any airport, or part thereof, owned, controlled, or operated by the public agency upon which, adjacent to which, or in connection with which the surplus property was located or used: *Provided,* That no such release shall be construed as depriving the public agency of any right it may otherwise have to receive reimbursement under section 17 of the Federal Airport Act for the necessary rehabilitation or repair of public airports heretofore or hereafter substantially damaged by any Federal agency.

"(H) In the event that any of the terms, conditions, reservations, and restrictions upon or subject to which the property is disposed of is not met, observed, or complied with, all of the property so disposed of or any portion thereof, shall, at the option of the United States, revert to the United States in its then existing condition.

"(3) In making any disposition of surplus property under this subsection (g), the disposal agency is authorized, upon the request of the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy, to omit from the instruments of disposal any of the terms, conditions, reservations, and restrictions required by paragraph (2) hereof, and to include any additional terms, conditions, reservations, and restrictions, if the Administrator of Civil Aeronautics, the Secretary of War, or the Secretary of the Navy determines that such omission or inclusion is necessary to protect or advance the interests of the United States in civil aviation or for national defense.

"(4) The Administrator of Civil Aeronautics shall have the sole responsibility for determining and enforcing compliance with the terms, conditions, reservations, and restrictions upon or subject to which surplus property is disposed of pursuant to this subsection.

"(5) All surplus property within the purview of this subsection which is not disposed of pursuant hereto shall be disposed of as provided elsewhere in this act or other applicable Federal statute.

"(6) Notwithstanding the provisions of subsection (f) of this section and subsection (c) of section 18, the disposal of surplus property under this subsection, which is determined by the Administrator to be available for the purposes enumerated in this subsection, shall be given priority immediately following transfers to other Government agencies under section 12."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H. R. 3394) to amend the act entitled "An act to provide for the evacuation and return of the remains of certain persons who are buried outside of the continental United States" was announced as next in order.

Mr. LODGE. Let the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. GURNEY. Mr. President, will the Senator from Massachusetts withhold his objection until I have an opportunity to explain the bill? I believe I can make a satisfactory explanation.

Mr. LODGE. I should like to hear the Senator's explanation of the bill.

Mr. GURNEY. The purpose of the bill is to amend existing law in a very minor degree. The bill authorizes the return of the remains of World War II dead to the homeland of the next of kin, as well as the homeland of the decedents. The bill also authorizes the Secretary of War to exercise discretionary authority in directing the disposition of groups and mass burials, and directs the permanent overseas burial of unknown World War II dead.

The bill further permits the Secretary to acquire land overseas for United States cemeteries. In addition, the bill gives custody of the overseas cemeteries to the organization which was used following World War I, the Battle Monuments Commission.

The bill has the full approval of the Senate Armed Services Committee, and is reported unanimously by that committee.

Mr. LODGE. Mr. President, let me say to the Senator that this is a matter that closely touches the emotions and the most intimate feelings of the people of this country.

Mr. GURNEY. This bill does not in any way do away with the right of the parents of World War dead to have them returned to this country if they wish to have that done. It does not change that in any way.

Mr. LODGE. It does not change the right to have the remains buried overseas, either, does it?

Mr. GURNEY. No; that can be done if it is desired.

Mr. LODGE. What disturbs me about the bill is the discretionary feature. I know of a case in which the Army has asked permission to close some of the small cemeteries.

Mr. GURNEY. The discretionary authority will apply only to mass burials or burials of unknown dead.

Mr. LODGE. Probably I shall not object after I have a chance to thoroughly understand the bill. But, Mr. President, I should like to have the bill passed over until the next call of the calendar, so that I can satisfy myself regarding its provisions.

The PRESIDENT pro tempore. Under the objection, the bill is passed over.

The bill (H. R. 3484) to transfer the Remount Service from the War Department to the Department of Agriculture was announced as next in order.

Mr. MORSE. Mr. President, this is my bill, and I ask that it go over until the committee can consider certain amendments which the Senator from Oklahoma has submitted to me, along with a letter which he has submitted to me. The work of the Armed Services Committee has been so heavy that I have only had an opportunity to get the bill on the docket for consideration.

So, out of consideration for the Senator from Oklahoma, I think the bill should be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

IOANNIS STEPHANES

The bill (S. 136) for the relief of Ioannis Stephanes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General of the United States be, and is hereby, authorized and directed to cancel deportation proceedings in the case of Ioannis Stephanes (alias John Stephens) of Mountain City, Nev., who entered the United States in August 1925 and has remained in the United States longer than permitted by law and regulation, and that this alien shall be considered as having been admitted for permanent entry as of the date of his actual entry on payment of the visa fee of $10 and head tax of $8.

Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Greek quota for the first year that the said Greek quota is available.

MILAN JANDRICH

The Senate proceeded to consider the bill (S. 409) for the relief of Milan Jandrich, which had been reported from the Committee on the Judiciary with an amendment, on page 1, after line 6, to strike out:

The said Milan Jandrich shall not be subject to deportation by reason of such entry.

SEC. 2. The Attorney General is authorized and directed to cancel any warrants of arrest or orders of deportation which may have been issued, and to discontinue any deportation proceedings which may have been commenced, in the case of said Milan Jandrich.

And insert:

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

So as to make the bill read:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws, the Attorney General is authorized and directed to record Milan Jandrich as having entered the United States on October 5, 1945, for permanent residence.

Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Yugoslavian quota of the first year that the Yugoslavian quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO MUNICIPALITIES AND COOPERATIVE ASSOCIATIONS

The Senate proceeded to consider the bill (S. 1087) to amend sec. 502 (a) of the Department of Agriculture Organic Act of 1944.

Mr. KNOWLAND. Mr. President, might we have a brief explanation of the bill?

Mr. STEWART. Mr. President, this bill was introduced on behalf of three municipalities—two in Alabama, Athens and Sheffield, and Bolivar, in Tennessee, to enable them to borrow money from REA in order to repay a loan obtained by

them from TVA; the advantage being a saving to them of about 1½ percent in the interest rate. The bill has the approval of the Department of Agriculture, REA, and also TVA.

The money was originally borrowed from TVA because the three municipalities, one in Tennessee and two in Alabama, undertook to build the entire electrical system of REA in the respective counties in which those cities are situated. They constructed the REA lines. The money was borrowed from TVA for that purpose, at a rate of 3½ percent interest. The bill does not ask for additional money. It is simply a matter of transferring the loans from one agency to another, after a manner of speaking, and it would result in a saving to the municipalities, who were financed for the benefit of the farmers in their respective counties, in the building of the REA line.

Mr. BYRD. Will the Senator state the amount of the loan?

Mr. STEWART. It is not set out here. My recollection is that it is about $300,000.

Mr. BYRD. The funds of REA are limited.

Mr. STEWART. I do not think the sum amounts to a great deal. I do not know how strictly REA is limited. Unfortunately, I do not have in mind the amount of the loan.

Mr. BYRD. The bill was approved by REA?

Mr. STEWART. It was approved by REA and also by TVA.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 502 (a) of the Department of Agriculture Organic Act of 1944 (Public Law 425, 78th Cong., 58 Stat. 739, 740), as amended by Public Law 563, Seventy-eighth Congress (58 Stat. 925), is further amended by inserting after the words "to cooperative associations" the words "and municipalities"; and by inserting after the words "said cooperative associations" a comma and the words "and municipalities to the extent that such indebtedness was incurred with respect to electric transmission and distribution lines or systems or portions thereof serving persons in rural areas."

ERADICATION OF CATTLE GRUBS

The Senate proceeded to consider the bill (S. 1249), authorizing additional research and investigation into problems and methods relating to the eradication of cattle grubs, and for other purposes.

Mr. RUSSELL. May I have an explanation?

The PRESIDENT pro tempore. The Senator from Georgia requests an explanation.

Mr. WHERRY. Mr. President, this is a bill which would authorize a continuation of investigation and research to eradicate a worm known as the cattle grub, that is produced from a fly that lays eggs at the animal's hoof; the worm is hatched and comes out on the back of the animal, boring through the hide; so much so that the hides of some western cattle are damaged to the extent of nearly 50 percent, at times, and those that are sold are sold at a reduced price. The cattlemen and dairymen of the country are very much interested in the matter. During the war there was developed an insecticide that is sprayed on the backs of cattle, so that when the worm emerges on the back of the animal, it is killed. Work of eradication has been begun in a district comprising several counties in the cattle section. The method is to proceed with eradication from county to county. If the grub can be eliminated it will mean an improvement in cattle products, hides, meat, milk, and so forth. It will require a small appropriation, I think, of about $75,000.

Mr. RUSSELL. That is the question I was about to ask.

Mr. WHERRY. It was reported without amendment by the committee, with full approval by Members of both parties.

Mr. RUSSELL. I am a great believer in agricultural research, but we have been having a great deal of difficulty getting any funds for use in that activity next year. I have been engaged in such work in the Committee on Agriculture, and I was interested to know the additional cost of the research in which the Senator from Nebraska is interested. I think research is the primary function of the Department of Agriculture. I have been endeavoring to convince certain of my colleagues on the subcommittee of the importance of research. I was interested to know how much more money would be required for this particular purpose.

Mr. LUCAS. Mr. President, I made the same observation before the Committee on Agriculture, when this and other bills for similar purposes, were favorably acted upon by that committee, because I felt we would run into trouble on the floor of the Senate, with any bill that we might report, in view of the economy drive that is under way. I based that opinion of course upon what the Appropriations Committee of the House had done to the agricultural program for research and for other purposes. I am very glad the Senator sees fit to go along with this bill, because it is a highly meritorious measure, in my opinion, to eradicate a very serious pest among cattle throughout the Nation.

Mr. RUSSELL. It seems to be a very meritorious proposition. I hope all meritorious research work will have the endorsement of the Senator.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to protect, promote, and conserve livestock and livestock products and to minimize losses, the Secretary of Agriculture, either independently or in cooperation with States or subdivisions thereof, farmers' associations, and other organizations and individuals, it is authorized to increase and intensify research and investigations into problems and methods relating to the eradication of cattle grubs and to undertake measures to eradicate these parasites.

SEC. 2. As used in this act, the term "State" includes the District of Columbia and the Territories and possessions of the United States There is hereby authorized to be appropriated such sums as may be necessary to carry out this act. Funds appropriated pursuant to this act shall be expended in accordance with procedures prescribed by the Secretary.

SALE OF CERTAIN LANDS TO CITY OF SITKA, ALASKA

The bill (H. R. 195) to authorize the Secretary of Agriculture to sell certain lands in Alaska to the city of Sitka, Alaska, was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF HOUSE OFFICE BUILDINGS

The bill (H. R. 3072) to authorize the preparation of preliminary plans and estimates of cost of for the erection of an addition or extension to the House Office Buildings and the remodeling of the fifth floor of the Old House Office Building, was considered, ordered to a third reading, read the third time, and passed.

MISSISSIPPI RIVER TOLL BRIDGE, ILLINOIS

The bill (H. R. 1610) to amend the act of June 14, 1938, so as to authorize the Cairo Bridge Commission to issue its refunding bonds for the purpose of refunding the outstanding bonds issued by the commission to pay the cost of a certain toll bridge at or near Cairo, Ill., was considered, ordered to a third reading, read the third time, and passed

GOLD STAR MOTHERS COMMEMORATIVE STAMPS

The bill (S. 1180) to authorize the issue of a certain series of commemorative stamps in honor of Gold Star Mothers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Postmaster General is authorized and directed to prepare for issuance at as early a date as practicable, a special series of 3-cent postage stamps, of such design as he shall prescribe, in honor and commemoration of Gold Star Mothers.

BILLS PASSED OVER

The bill (S. 612) to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. LUCAS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1634) to amend section 1 and provisions (6), (7), and (8) of chapter 3, and provisions (3) of section 47 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (H. R. 1633) to amend section 16 of chapter V of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over.

SALE OF LAND ON E STREET SW., DISTRICT OF COLUMBIA

The bill (H. R. 1893) to authorize the sale of the bed of E Street SW., between Twelfth and Thirteenth Streets, in the District of Columbia. was considered.

ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

PAROLE OF PRISONERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H. R. 494) to reorganize the system of parole of prisoners convicted in the District of Columbia, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment of the committee was in section 1, page 1, line 9, after the word "compensation", to insert "one of whom shall be elected chairman of the said Board."

The amendment was agreed to.

The next amendment was in section 5, page 4, line 13, after the words "he may" and the comma, to strike out "in the discretion of the Board and under such rules as it may promulgate."

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ABANDONMENT OF CONDEMNATION PROCEEDINGS, DISTRICT OF COLUMBIA

The bill (H. R. 3235) to amend the Code of Laws of the District of Columbia with respect to abandonment of condemnation proceedings, was considered, ordered to a third reading, read the third time, and passed.

PUNISHMENT FOR EXERTING CORRUPT INFLUENCE IN CONTESTS OF SKILL, DISTRICT OF COLUMBIA

The bill (H. R. 3515) to make it unlawful in the District of Columbia to corruptly influence participants or officials in contests of skill, speed, strength, or endurance, and to provide a penalty therefor, was considered, ordered to a third reading, read the third time, and passed.

SURVIVORSHIP OF CAUSES OF ACTION, DISTRICT OF COLUMBIA

The bill (S. 1442) to amend sections 235 and 327 of the Code of Laws for the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 235 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 235. On the death of any person in whose favor or against whom a right of action may have accrued for any cause prior to his death, said right of action shall survive in favor of or against the legal representative of the deceased: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for physical injury and pain and suffering resulting therefrom."

SEC. 2. Section 327 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended, is hereby amended to read as follows:

"SEC. 327. Executors and administrators shall have full power and authority to commence and prosecute any personal action at law or in equity which the testator or intestate might have commenced and prosecuted: *Provided, however,* That in tort actions, the said right of action shall be limited to damages for personal injury and pain and suffering resulting therefrom; and they shall also be liable to be sued in the District Court of the United States for the District of Columbia in any action at law or in equity, except as aforesaid, which might have been maintained against the deceased; and they shall be entitled to or answerable for costs in the same manner as the deceased would have been, and shall be allowed for the same in their accounts, unless it shall appear that there were not probable grounds for instituting or defending the suits in which judgments or decrees shall have been given against them."

INCORPORATION, ETC., OF BUSINESS CORPORATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 8) to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause, and to insert the following:

TABLE OF CONTENTS

SHORT TITLE

SECTION 1. This act shall be known and may be cited as the "District of Columbia Business Corporation Act."

DEFINITIONS

SEC. 2. As used in this act, unless the context otherwise requires—

(a) "Corporation" or "domestic corporation" means a corporation subject to the provisions of this act, except a foreign corporation.

(b) "Foreign corporation" means a corporation for profit organized under laws other than the laws of the District of Columbia and special acts of Congress.

(c) "Articles of incorporation" include the original articles of incorporation and all amendments thereto, and include articles of merger or consolidation.

(d) "Subscriber" means one who subscribes for shares in a corporation, whether before or after incorporation.

(e) "Incorporator" means one of the signers of the original articles of incorporation.

(f) "Shares" are the units into which the shareholders' right to participate in the control of the corporation, in its surplus or profits, or in the distribution of its assets, are divided.

(g) "Shareholder" means one who is a holder of record of shares in a corporation.

(h) "Authorized shares" means the aggregate number of shares of all classes, whether with or without par value, which the corporation is authorized to issue.

(i) Shares of its own stock belonging to a corporation shall be deemed to be "issued" shares, but not "outstanding" shares.

(j) "Stated capital" means, at any particular time, the sum of (1) the par value of all shares then issued having a par value and (2) the consideration received by the corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by law, and (3) such amounts not included in clauses (1) or (2) of this paragraph as may have been transferred to the stated capital account of the corporation, whether upon the issue of shares as a share dividend or otherwise, minus such formal reductions from said sum as may have been effected in a manner permitted by law.

(k) "Paid-up surplus" means all that part of the consideration received by the corporation for, or on account of, all shares issued which does not constitute stated capital, whether heretofore or hereafter created by (1) the receipt by the corporation for, or on account of, the issuance of shares having a par value of consideration in excess of the par value of such shares or (2) the allocation of any part of the consideration received by the corporation for, or on account of, the issuance of shares in a manner permitted by law or (3) a reduction of stated capital under this act, minus such formal reductions of paid-in surplus as may have been effected in a manner permitted by law.

(l) "Net assets," for the purpose of determining the right of a corporation to purchase its own shares and of determining the right of a corporation to declare and pay dividends and the liabilities of directors therefor, shall not include shares of its own stock belonging to such corporation.

(m) "Registered office" means that office maintained by the corporation, the address of which is on file with the Commissioner of Corporations.

(n) "Insolvent" means that the corporation is unable to pay its debts as they become due in the usual course of its business.

(o) "State" means any State, Territory, colony, dependency, or possession of the United States of America, or any foreign country.

(p) "District" means the District of Columbia.

(q) "The court," except where otherwise specified, means the District Court of the United States for the District of Columbia.

(r) "Business by a foreign corporation" means the transaction of some substantial part of its corporate business, continuous in its character and not merely casual or occasional, and shall not include the prosecution of litigations, collection of its debts, or the taking of security for the same, or the appointment of an agent for the solicitation of business not transacted in the District: *Provided,* That mere procurement of orders for the sale of personal property by means of telephonic communication, written correspondence, or solicitation by salesmen in the District where such orders require acceptance without the District before becoming binding on the purchaser and seller and title to such property passes from the seller to the purchaser without the District shall not constitute transacting business within the District: *And provided further,* That the sale of personal property to the United States shall not be considered transacting business within the District unless a contract for such sale is accepted by the seller within the District or such property is delivered from stock of the seller within the District for use within the District.

PURPOSES

SEC. 3. Corporations for profit may be organized under this act for any lawful purpose or purposes, except for the purpose of banking or insurance or the acceptance and execution of trusts, the operation of railroads, or building and loan associations.

GENERAL POWERS

SEC. 4. Each corporation shall have power:

(a) To have perpetual succession by its corporate name unless a limited period of duration is stated in its articles of incorporation.

(b) To sue and be sued, complain and defend, in its corporate name.

(c) To have a corporate seal, which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced.

(d) To purchase, take, receive, lease, take by gift, devise, or bequest, or otherwise acquire, and to own, hold, improve, use, and otherwise deal in and with real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets.

(f) To lend money to, and otherwise assist, its employees, other than its officers and directors.

(g) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in, or obligations of, other corporations organized under the laws of the District of Columbia, of foreign corporations, and of associations, partnerships, or individuals.

(h) To make contracts and incur liabilities; to borrow money at such rates of interest as the corporation may determine without regard to the restrictions of any usury law; to issue its notes, bonds, and other obligations; and to secure any of the obligations by mortgage or pledge of all or any of its property, franchise, and income. No corporation formed hereunder shall plead any statutes against usury in any court of law or equity in any suit instituted to enforce the payment of any bond, note, or other evidence of indebtedness issued or assumed by it.

(i) To invest its surplus funds from time to time and to lend money for its corporate purposes, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

(j) To conduct its business, carry on its operations, and have offices and exercise the powers granted by this act within and without the District of Columbia and to exercise in any State, Territory, district, colony, or possession of the United States, or in any foreign country the powers granted by this act.

(k) To elect or appoint officers and agents of the corporation, and to define their duties and fix their compensation.

(l) To make and alter bylaws, not inconsistent with its articles of incorporation or

with the laws of the District of Columbia, for the administration and regulation of the affairs of the corporation.

(m) To make contributions to charitable organizations, and, in time of war, to transact any lawful business in aid of the United States.

(n) To cease its corporate activities and surrender its corporate franchise.

(o) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(p) To indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they, or any of them, are made parties, or a party, by reason of being or having been directors or officers or a director or officer of the corporation, or of such other corporation, except in relation to matters as to which any such director or officer or former director or officer or person shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of any other rights to which those indemnified may be entitled, under any bylaw, agreement, vote of stockholders, or otherwise.

POWER OF CORPORATION TO ACQUIRE ITS OWN SHARES

SEC. 5. A corporation shall have power to purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares: *Provided*, That it shall not purchase, either directly or indirectly, its own shares when its net assets are less than the sum of its stated capital, its capital surplus, any surplus arising from unrealized appreciation in value or revaluation of its assets and any surplus arising from surrender to the corporation of any of its shares, or when by so doing its net assets would be reduced below such sum. Notwithstanding the foregoing limitations, a corporation may purchase or otherwise acquire its own shares for the purpose of—

(a) eliminating fractional shares;

(b) collecting or compromising claims of the corporation or any indebtedness to the corporation;

(c) paying dissenting shareholders entitled to payment for their shares under the provisions of this act.

(d) effecting the retirement of its redeemable shares by redemption or by purchase at not to exceed the redemption price, but no redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

DEALING IN REAL ESTATE AS CORPORATE PURPOSE

SEC. 6. A corporation having among its purposes, as set forth in its articles of incorporation, that of acquiring, owning, using, conveying, and otherwise disposing of and dealing in real property or any interest therein, shall have power and authority so to do without limitation.

DEFENSE OF ULTRA VIRES

SEC. 7. No act of a corporation and no conveyance or transfer of real or personal property to or by a corporation shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such conveyance or transfer, but such lack of capacity or power may be asserted—

(a) in a proceeding by a shareholder against the corporation to enjoin the doing of any act or acts the transfer of real or personal property by or to the corporation. If the unauthorized acts or transfer sought to be enjoined are being, or are to be, performed or made pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the proceeding and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, compensation for the loss or damage sustained by either of them which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) in a proceeding by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the incumbent or former officers or directors of the corporation;

(c) in a proceeding by the Commissioner or Corporations, as provided in this act, to dissolve the corporation, or in a proceeding by Commissioner of Corporations to enjoin the corporation from the transaction of unauthorized business.

CORPORATE NAME

SEC. 8. The corporate name—

(a) shall contain the word "corporation", "company", "incorporated", or "limited", or shall end with an abbreviation of one of such words;

(b) shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation;

(c) shall not be the same as, or deceptively similar to, the name of any corporation organized under any act of the District of Columbia, or any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

RESERVED NAME

SEC. 9. (a) The exclusive right to the use of a corporate name may be reserved by—

(1) any person intending to organize a corporation under this act or any other act for the organization of a corporation under the laws of the District of Columbia;

(2) any corporation organized under this act proposing to change its name;

(3) any corporation organized under any law other than this act proposing to reincorporate under this act;

(4) any foreign corporation intending to make application for a certificate of authority to transact business in the District of Columbia;

(5) any foreign corporation authorized to transact business in the District of Columbia and intending to change its name;

(6) any person intending to organize a foreign corporation and intending to have such corporation make application for a certificate of authority to transact business in the District of Columbia.

(b) The reservation shall be made by filing with the Commissioner of Corporations an application to reserve a specified corporate name, executed by the applicant. If the Commissioner of Corporations finds that the name is available for corporate use, he shall reserve the same for the exclusive use of the applicant for a period of 60 days.

(c) The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the Commissioner of Corporations a notice of such transfer, executed by the applicant for whom the name was reserved, and specifying the name and address of the transferee,

REGISTERED OFFICE AND REGISTERED AGENT

SEC. 10. Each corporation shall have and continuously maintain in the District of Columbia—

(a) a registered office which may be, but need not be, the same as its place of business;

(b) a registered agent, which agent may be either an individual resident in the District of Columbia whose business office is identical with such registered office, or a corporation authorized by the articles of incorporation to act as such agent and authorized to transact business in the District of Columbia having a business office identical with such registered office.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT

SEC. 11. (a) A corporation may change its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical; and

(7) that such change was authorized by resolution duly adopted by its board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(b) Such statement shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to the provisions of this act, he shall file such statement.

(c) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

REGISTERED AGENT AS AN AGENT FOR SERVICE

SEC. 12. (a) The registered agent so appointed by a corporation shall be an agent of such corporation upon whom process against the corporation may be served, and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service of any process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent.

(b) In the event a corporation shall fail to appoint or maintain a registered agent, then the Commissioner of Corporations is hereby irrevocably appointed as an agent of such corporation upon whom any such process, notice, or demand may be served. Service on the Commissioner of Corporations of any such process, notice, or demand shall be made by delivering to and leaving with him duplicate copies of such process, notice, or demand. In the event any such process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies thereof to be forwarded by registered mail, addressed to the corporation at its registered office. Any

service so had on the Commissioner of Corporations shall be returnable in not less than 30 days.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with respect thereto.

(d) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a corporation in any other manner now or hereafter permitted by law.

AUTHORIZED SHARES

SEC. 13. (a) Each corporation shall have power to create and issue the number of shares stated in its articles of incorporation. Such shares may be divided into one or more classes, any or all of which classes may consist of shares with par value or shares without par value, with such designations, preferences, voting powers, special or relative rights and such limitations, restrictions, or qualifications thereof as shall be stated in the articles of incorporation. The articles of incorporation may limit or deny the voting power of the shares of any class.

(b) Without limiting the authority herein contained, a corporation, when so provided in its articles of incorporation, may issue shares of preferred or special classes—

(1) subject to the right of the corporation to redeem any of such shares at the price fixed by the articles of incorporation for the redemption thereof;

(2) entitling the holders thereof to cumulative or noncumulative dividends;

(3) having preference over any other class or classes of shares as to the payment of dividends;

(4) having preference as to the assets of the corporation over any other class or classes of shares upon the voluntary or involuntary liquidation of the corporation;

(5) convertible into shares of any other class: *Provided*, That shares without par value shall not be converted into shares with par value unless that part of the stated capital of the corporation represented by such shares without par value is, at the time of conversion, at least equal to the aggregate par value of the shares into which the shares without par value are to be converted.

ISSUANCE OF SHARES OF PREFERRED OR SPECIAL CLASSES IN SERIES

SEC. 14. (a) If the articles of incorporation so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences as between different series may be fixed and determined by the articles of incorporation: *Provided*, That all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series:

(1) The rate of dividend.

(2) The price at and the terms and conditions on which shares may be redeemed.

(3) The amount payable upon shares in event of involuntary liquidation.

(4) The amount payable upon shares in event of voluntary liquidation.

(5) Sinking-fund provisions for the redemption or purchase of shares.

(6) The terms and conditions on which shares may be converted, if the shares of any series are issued with the privilege of conversion.

(b) If the articles of incorporation shall expressly vest authority in the board of directors, then, to the extent that the articles of incorporation shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of the shares of any series so established: *Provided*, That such authority of the board of directors shall be subject to such further limitations, if any, as are stated in the articles of incorporation and shall always be subject to the limitation that the board of directors shall not create a sinking fund in respect of any series unless provision for a sinking fund at least as beneficial to all issued and outstanding shares of the same class shall either then exist or be at the same time created.

(c) In order for the board of directors to establish a series, where authority so to do is contained in the articles of incorporation, the board of directors shall adopt a resolution setting forth the designation of the series and fixing and determining the relative rights and preferences thereof, or so much thereof as shall not be fixed and determined by the articles of incorporation.

(d) Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall file in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) a copy of the resolution establishing and designating the series, and fixing and determining the relative rights and preferences thereof;

(3) the date of adoption of such resolution;

(4) that such resolution was duly adopted by the board of directors.

(e) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this Act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(f) The duplicate original returned by the Commissioner of Corporations shall be filed for record in the office of the Recorder of Deeds.

(g) Upon the filing of such statement by the Commissioner of Corporations, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

SUBSCRIPTIONS FOR SHARES

SEC. 15. (a) A subscription for shares of a corporation to be organized shall be irrevocable for a period of six months unless otherwise provided by the terms of the subscription agreement, or unless all of the subscribers consent to the revocation of such subscription.

(b) Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe other penalties for failure to pay installments or calls that may become due, but no penalty working a forfeiture of the shares, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of 20 days after written demand has been made therefor. Such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his last post-office address known to the corporation, with the postage thereon prepaid. In the event of the sale of any shares by reason of any forefeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative.

CONSIDERATION FOR SHARES

SEC. 16. (a) Shares having a par value may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the board of directors.

(b) Shares without par value may be isued for such consideration as may be fixed from time to time by the board of directors unless the articles of incorporation reserve to the shareholders the right to fix the consideration. In the event that such right be reserved as to any shares, the shareholders shall, prior to the issuance of such shares, fix the consideration to be received for such shares, by a vote of the holders of a majority of all outstanding shares entitled to vote thereon.

(c) Shares of a corporation issued and thereafter acquired by it may be disposed of by the corporation for such consideration as may be fixed from time to time by the board of directors.

(d) That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be the consideration for the issuance of such shares.

(e) In the event of an exchange of issued shares having a par value for a different number of shares having the same aggregate par value, whether of the same or of a different class or classes, or in the event of a conversion of shares, or in the event of an exchange of shares with or without par value into the same or a different number of shares without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange shall be deemed to be (1) the consideration originally received for the shares so exchanged or converted; and (2) that part of surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted; and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

PAYMENT FOR SHARES

SEC. 17. (a) The consideration for the issuance of shares may be paid, in whole or in part, in money, in other property, tangible or intangible, or in labor or services actually performed for the corporation. When payment of the consideration for which shares are to be issued, which, in the case of shares having a par value, shall be not less than the par value thereof, shall have been received by the corporation, such shares shall be deemed to be full paid and nonassessable.

(b) Neither promissory notes nor future services shall constitute payment or part payment for shares of a corporation.

(c) In the absence of fraud in the transaction, the judgment of the board of directors or the shareholders, as the case may be, as to the value of the consideration received for shares shall be conclusive.

DETERMINATION OF AMOUNT OF STATED CAPITAL

SEC. 18. (a) A corporation may determine that only a part of the consideration for

which its shares may be issued, from time to time, shall be stated capital: *Provided*, That in the event of any such determination—

(1) if the shares issued shall consist wholly of shares having a par value, then the stated capital represented by such shares shall be not less than the aggregate par value of the shares so issued;

(2) if the shares issued shall consist wholly of shares without par value, all of which shares have a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be not less than the aggregate preferential amount payable upon such shares in the event of involuntary liquidation;

(3) if the shares issued consist wholly of shares without par value, and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital represented by such shares shall be the total consideration received therefor less such part thereof as may be allocated to paid-in surplus;

(4) if the shares issued shall consist of several or all of the classes of shares enumerated in (a), (b), and (c) of this section, then the stated capital represented by such shares shall be not less than the aggregate par value of any shares so issued having a par value and the aggregate preferential amount payable upon any shares so issued without par value having a preferential right in the event of involuntary liquidation.

(b) In order to determine that only a part of the consideration for which shares without par value may be issued from time to time shall be stated capital, the board of directors shall adopt a resolution setting forth the part of such consideration allocated to stated capital and the part otherwise allocated, and expressing such allocation in dollars. In the board of directors shall not have determined (a) at the time of the issuance of any shares issued for cash, or (b) within 60 days after the issuance of any shares issued for labor or services actually performed for the corporation or issued for property other than cash, that only a pat of the consideration for shares so issued shall be stated capital, then the stated capital of the corporation represented by such shares shall be an amount equal to the aggregate par value of all such shares having a par value, plus the consideration received for all such shares without par value.

(c) The stated capital of the corporation may be increased from time to time by resolution of the board of directors directing that all or a part of the paid-in or other surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares.

EXPENSES OF ORGANIZATION, REORGANIZATION, AND FINANCING

SEC. 19. The reasonable charges and expenses of organization or reorganization of a corporation and reasonable compensation for the sale or underwriting of its shares may be paid or allowed by such corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not full paid and nonassessable.

CERTIFICATES REPRESENTING SHARES

SEC. 20. (a) The shares of a corporation shall be represented by certificates signed by the president or a vice president and the secretary or an assistant secretary and sealed with the seal of the corporation. Such seal may be a facsimile. Where such a certificate is countersigned by a transfer agent other than the corporation itself or an employee of the corporation, or by a transfer clerk and registered by a registrar, the signatures of the president or vice president and the secretary or assistant secretary upon such certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the corporation with the same effect as if such officer had not ceased to hold such office at the date of its issue.

(b) Every certificate representing shares issued by a corporation which is authorized to issue shares the transferability of which is restricted or limited shall state upon the face or back thereof, in full or in the form of a summary, all of the limitations and restrictions upon the transferability thereof.

(c) Every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall state upon the face or back thereof, in full or in the form of a summary, all of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

(d) Each certificate representing shares shall also state—

(1) that the corporation is organized under the laws of the District of Columbia;

(2) the name of the person to whom issued;

(3) the number and class of shares which such certificate represents;

(4) the par value of each share represented by such certificate, or a statement that the shares are without par value.

(e) No certificate shall be issued for any share until such share is full paid.

ISSUANCE OF FRACTIONAL SHARES OR SCRIP

SEC. 21. A corporation may, but shall not be obliged to, issue a certificate for a fractional share and, by action of its board of directors, may issue in lieu thereof scrip or other evidence of ownership, which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends thereon or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other conditions which the board of directors may deem advisable.

LIABILITY OF SUBSCRIBERS AND SHAREHOLDERS

SEC. 22. (a) A holder of or subscriber to shares of a corporation shall be under no obligation to the corporation or its creditors with respect to such shares other than the obligation to pay to the corporation the full consideration for which said shares were issued or to be issued, which, as to shares having a par value, shall be not less than the par value thereof. Any person becoming an assignee or transferee of shares or of a subscription for shares in good faith and without knowledge or notice that the full consideration therefor has not been paid shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration.

(b) No person holding shares as executor, administrator, conservator, guardian, trustee, assignee for the benefit of creditors, or receiver shall be personally liable as a shareholder, but the estate and funds in the hands of said executor, administrator, conservator, guardian, trustee, assignee, or receiver shall be so liable. No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder.

SHAREHOLDERS' PREEMPTIVE RIGHTS

SEC. 23. (a) The preemptive right of a shareholder to acquire additional shares of a corporation may be limited or denied to the extent provided in the articles of incorporation.

(b) Unless otherwise provided by its articles of incorporation, any corporation may issue and sell its shares to its employees or to the employees of any subsidiary corporation, without first offering such shares to its shareholders, for such consideration and upon such terms and conditions as shall be approved by the holders of two-thirds of its shares entitled to vote or by its board of directors pursuant to like approval of the shareholders.

BYLAWS

SEC. 24. The power to make, alter, amend, or repeal the bylaws of the corporation shall be vested in the board of directors unless reserved to the shareholders by the articles of incorporation. The bylaws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

MEETINGS OF SHAREHOLDERS

SEC. 25. (a) Meetings of shareholders may be held at such place within or without the District of Columbia as may be provided in the bylaws. In the absence of any such provisions, all meetings shall be held at the registered office of the corporation.

(b) An annual meeting of the shareholders shall be held at such time as may be provided in the bylaws. Failure to hold the annual meeting at the designated time shall not work a forfeiture or dissolution of the corporation.

(c) Special meetings of the shareholders may be called by the president, the secretary, the board of directors, the holders of not less than one-fifth of all the outstanding shares entitled to vote, or by such other officers or persons as may be provided in the articles of incorporation or the bylaws.

NOTICE OF SHAREHOLDERS' MEETINGS

SEC. 26. Written or printed notice stating the place, day, and hour of the meeting, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, or the officer or person calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his address as it appears on the records of the corporation, with postage thereon prepaid.

VOTING OF SHARES

SEC. 27. (a) Unless otherwise provided in the articles of incorporation, each outstanding share shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders.

(b) Shares of its own stock belonging to a corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

(c) A shareholder may vote either in person or by proxy executed in writing by the

shareholder or by his duly authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the person executing it or his personal representatives or assigns; but the parties to a valid pledge or to an executory contract of sale may agree in writing as to which of them shall vote the stock pledged or sold until the contract of pledge or sale is fully executed.

(d) The articles of incorporation may provide that in all elections for directors every shareholder entitled to vote shall have the right to vote, in person or by proxy, the number of shares owned by him, for as many persons as there are directors to be elected, or to cumulate said shares, and give one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or to distribute such votes on the same principle among any number of such candidates.

CLOSING OF TRANSFER BOOKS AND FIXING RECORD DATE

SEC. 28. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board of directors of a corporation may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the stock-transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting. In lieu of closing the stock-transfer books, the board of directors may fix in advance a date as the record date for any determination of shareholders, such date in any case to be not more than 50 days and, in case of a meeting of shareholders, not less than 10 days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken. If the stock-transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders.

VOTING OF SHARES BY CERTAIN HOLDERS

SEC. 29. (a) Shares standing in the name of another corporation may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

(b) Shares standing in the name of a deceased person may be voted by his administrator or executor, either in person or by proxy. Shares standing in the name of a guardian, conservator, or trustee may be voted by such fiduciary, either in person or by proxy, but no guardian, conservator, or trustee shall be entitled, as such fiduciary, to vote shares held by him without a transfer of such shares into his name.

(c) Shares standing in the name of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee, and shares held by or under the control of a receiver or a trustee in bankruptcy may be voted by such receiver or trustee without the transfer thereof into his name if authority so to do be contained in an appropriate order of the court by which such receiver or trustee in bankruptcy was appointed.

(d) Except as otherwise provided in section 27, a shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

VOTING TRUST

SEC. 30. Any number of shareholders of a corporation may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period of not to exceed 10 years, by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, by depositing a counterpart of the agreement with the corporation at its registered office, and by transferring their shares to such trustee or trustees for the purposes of the agreement. The counterpart of the voting-trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as is the record of shareholders of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose. The trustee or trustees may execute and deliver to the transferors voting-trust certificates which shall be transferable in the same manner and with the same effect as certificates of stock.

QUORUM OF SHAREHOLDERS

SEC. 31. (a) Unless otherwise provided in the articles of incorporation or bylaws, a majority of the outstanding shares having voting power, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders: *Provided*, That in no event shall a quorum consist of less than one-third of the outstanding shares having voting power.

(b) The shareholders present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(c) If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting from time to time until a quorum is present when any business may be transacted that may have been transacted at the meeting as originally called.

BOARD OF DIRECTORS

SEC. 32. The business and affairs of a corporation shall be managed by a board of directors. Directors need not be shareholders in the corporation unless the articles of incorporation or bylaws so provide. The articles of incorporation or bylaws may prescribe other qualifications for directors.

NUMBER AND ELECTION OF DIRECTORS

SEC. 33. The number of directors of a corporation shall not be less than three. Subject to such limitation, the number of directors shall be fixed by the bylaws, except as to the number constituting the first board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the first board of directors shall be stated in the articles of incorporation. Such persons shall hold office until the first annual meeting of shareholders, or until their successors shall have been elected and qualified. At the first annual meeting of shareholders and at each annual meeting thereafter the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which he is elected or until his successor shall have been elected and qualified.

CLASSIFICATION OF DIRECTORS

SEC. 34. The bylaws may provide that the directors be divided into either two or three classes, each class to be as nearly equal in number as possible, the term of office of directors of the first class to expire at the first annual meeting of shareholders after their election, that of the second class to expire at the second annual meeting after their election, and that of the third class, if any, to expire at the third annual meeting after their election. At each annual meeting after such classification the number of directors equal to the number of the class whose term expires at the time of such meeting shall be elected to hold office until the second succeeding annual meeting, if there be two classes, or until the third succeeding annual meeting, if there be three classes. No classification of directors shall be effective prior to the first annual meeting of shareholders.

VACANCIES

SEC. 35. Any directorship to be filled by reason of an increase in the number of directors may be filled by election at an annual meeting or at a special meeting of shareholders entitled to vote called for that purpose. Any vacancy occurring in the board of directors for any cause other than by reason of an increase in the number of directors may be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

QUORUM OF DIRECTORS

SEC. 36. A majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, shall constitute a quorum for the transaction of business unless a greater number is required by the articles of incorporation or the bylaws. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by the articles of incorporation or the bylaws.

EXECUTIVE COMMITTEE

SEC. 37. If the bylaws so provide, the board of directors, by resolution adopted by a majority of the number of directors fixed by the bylaws, or in the absence of a bylaw fixing the number of directors, then of the number stated in the articles of incorporation, may designate two or more directors to constitute an executive committee, which committee, to the extent provided in such resolution or in the bylaws of the corporation shall have and may exercise all of the authority of the board of directors in the management of the business and affairs of the corporation; but the designation of such committee and the delegation thereto of authority shall not operate to relieve the board of directors, or any member thereof, of any responsibility imposed upon it or him by law.

PLACE OF DIRECTORS' MEETINGS

SEC. 38. Meetings of the board of directors, regular or special, may be held at such place within or without the District of Columbia as may be provided in the bylaws or by resolution adopted by a majority of the board of directors.

NOTICE OF DIRECTORS' MEETINGS

SEC. 39. Meetings of the board of directors shall be held upon such notice as is prescribed in the bylaws. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

DIVIDENDS

SEC. 40. The board of directors of a corporation may declare and the corporation may pay dividends on its outstanding shares in cash, property, or its own shares, subject to the following provisions:

(a) No dividend shall be declared or paid at a time when the corporation is insolvent or its net assets are less than its stated capital, or when the payment thereof would render the corporation insolvent or reduce its net assets below its stated capital.

(b) Dividends may be paid out of capital surplus or surplus arising from the surrender to the corporation of any of its shares only upon shares having a preferential right to receive dividends, provided that the source of such dividends shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof. The limitations of this subparagraph shall not limit nor be deemed to conflict with the provisions of this act in respect of the distribution of assets as a liquidating dividend.

(c) If a dividend is declared payable in its own shares having a par value, such shares shall be issued at the par value thereof and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend.

(d) If a dividend is declared payable in its own shares without par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution adopted at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is paid, an amount of surplus equal to the aggregate value so fixed in respect of such shares. The amount per share transferred to stated capital shall be disclosed to the shareholders receiving such dividends, concurrently with payment thereof.

(e) A split up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of this section.

(f) No dividend shall be declared or paid contrary to any restrictions contained in the articles of incorporation.

(g) Subject to any restrictions contained in its articles of incorporation, the directors of any corporation engaged in the exploitation of wasting assets may determine the net profits derived from the exploitation of such wasting assets without taking into consideration the depletion of such wasting assets resulting from lapse of time or from necessary consumption of such assets incidental to their exploitation and may pay dividends from the net profits so determined by the directors.

DIVIDENDS IN PARTIAL LIQUIDATION

SEC. 41. A corporation, from time to time, may distribute a portion of its assets, in cash or kind, to its shareholders as a liquidating dividend, in the following manner and subject to the following restrictions:

(a) The board of directors shall adopt a resolution recommending the payment of a liquidating dividend, specifying the class or classes of shareholders entitled thereto and the amount thereof, and directing that the question of such distribution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose or one of the purposes of such meeting is to consider the question of such distribution shall be given to each shareholder of record entiled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in the notice of such meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken by classes on the question of the proposed distribution. The affirmative vote of the holders of at least two-thirds of the outstanding shares of each class shall be required for the authorization of such distribution.

(d) No such distribution shall be made at a time when the corporation is insolvent or its net assets are less than its stated capital, or when such distribution would render the corporation insolvent or reduce its net assets below its stated capital.

(e) No such distribution shall be made to any class of shareholders unless all cumulative dividends accrued on preferred or special classes of shares entitled to preferential dividends shall have been fully paid.

(f) No such distribution shall be made to any class of shareholders which will reduce the remaining net assets below the aggregate preferential amount payable in event of voluntary liquidation to the holders of shares having preferred rights to the assets to the corporation in the event of liquidation.

(g) Each such distribution, when made, shall be identified as a liquidating dividend and the amount per share shall be disclosed to the shareholders receiving the same, concurrently with the payment thereof.

LIABILITY OF DIRECTORS IN CERTAIN CASES

SEC. 42. (a) In addition to any other liabilities imposed by law upon directors of a corporation—

(1) directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of the assets of a corporation to its shareholders contrary to the provisions of this act, or contrary to any restrictions contained in the articles of incorporation, shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed in excess of the amount of such dividend or distribution which could have been paid or distributed without a violation of the provisions of this act or any restrictions in the articles of incorporation;

(2) the directors of a corporation who vote for or assent to the declaration of any dividend or other distribution of assets of a corporation to its shareholders which renders the corporation insolvent or reduces its net assets below its stated capital shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that the corporation is thereby rendered insolvent or its net assets are reduced below its stated capital;

(3) the directors of a corporation who vote or assent to any distribution of assets of a corporation to its shareholders during the liquidation of the corporation without an adequate provision for, or the payment and discharge of, all debts, obligations, and liabilities of the corporation shall be jointly and severally liable to the corporation for the amount of such dividend which is paid or the value of such assets which are distributed, to the extent that such debts, obligations, and liabilities of the corporation are not thereafter paid and discharged;

(4) the directors of a corporation who vote for or assent to the making of a loan to an officer or director of the corporation shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

(b) A director of a corporation who is present at a meeting of its board of directors at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(c) A director shall not be liable under either subparagraph (1) or (2) of this section if he relied and acted in good faith upon a balance sheet and profit-and-loss statement of the corporation represented to him to be correct by the president or the officer of such corporation having charge of its books of account, or certified by an independent public or certified public accountant or firm of such accountants to fairly reflect the financial conditions of such corporation, nor shall he be so liable if in good faith in determining the amount available for any such dividend or distribution he considered the assets to be of their book value.

(d) Any director against whom a claim shall be asserted under or pursuant to this section, and who shall be held liable thereon, shall be entitled to contribution from the other directors who are likewise liable thereon.

(e) Any director against whom a claim shall be asserted under or pursuant to this section for the improper declaration of a dividend or other distribution of assets of a corporation and who shall be held liable thereon, shall be entitled to contribution from the shareholders who knowingly accepted or received any such dividend or assets, in proportion to the amounts received by them, respectively.

OFFICERS

SEC. 43. (a) The officers of a corporation shall consist of a president, one or more vice presidents as may be prescribed by the bylaws, a secretary, and a treasurer, each of whom shall be elected by the board of directors at such time and in such manner as may be prescribed by the bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the board of directors or chosen in such other manner as may be prescribed by the bylaws. If the bylaws so provide, any two or more offices may be held by the same person, except the offices of president and secretary.

(b) All officers and agents of the corporation, as between themselves and the corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the bylaws, or as may be determined by resolution of the board of directors not inconsistent with the bylaws.

REMOVAL OF OFFICERS

SEC. 44. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

BOOKS AND RECORDS

SEC. 45. (a) Each corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its shareholders and board of directors; and shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of its shareholders, giving the names and addresses of all shareholders and the number and class of the shares held by each.

(b) Any person or persons who shall be the holder or holders of record of at least 5 percent of all the outstanding shares of a corporation shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, its record of shareholders and to make extracts thereform.

(c) A holder of a voting-trust certificate evidencing an interest in a voting trust conforming to the provisions of this act shall

have the same rights as a shareholder to examine and make extracts from the record of shareholders of the corporation.

(d) If any person or persons holding in the aggregate 5 percent or more of all of the outstanding shares of a corporation shall present to any officer, director, or registered agent of the corporation a written request for a statement of its affairs, it shall be his duty to make or procure such a statement sworn to by the president or a vice president or by the treasurer or an assistant treasurer, embracing a particular account of its assets and liabilities in detail, and to have the same ready and on file at the registered office of the corporation within 30 days after the presentation of such request. Such statement shall at all times during business hours be open to the inspection of any shareholder and he shall be entitled to copy the same.

(e) Any corporation whose officers or agents shall refuse to allow any such shareholder, entitled under the provisions of this section to examine the record of shareholders, or his agent or attorney, to examine and make extracts from its record of shareholders, for any proper purpose, shall be liable to such shareholder in a penalty of $50, in addition to any other damages or remedy afforded him by law. It shall be a defense to any action for penalties under this section that the person suing therefor has within 2 years sold or offered for sale any list of shareholders of such corporation or any other corporation or has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the record of shareholders of such corporation or any other corporation.

(f) Nothing herein contained shall impair the power of any court of competent jurisdiction, upon proof by a shareholder of proper purpose, irrespective of the period of time during which such shareholder shall have been a shareholder of record, and irrespective of the number of shares held by him, to compel by mandamus or otherwise the production for examination by such shareholder of the books and records of account, minutes, and record of shareholders of a corporation.

INCORPORATORS

SEC. 46. Three or more natural persons of the age of 21 years or more may act as incorporators of a corporation by signing, verifying, and filing in duplicate in the office of the Commissioner of Corporations articles of incorporation for such corporation.

ARTICLES OF INCORPORATION

SEC. 47. The articles of incorporation shall set forth:

(a) The name of the corporation.

(b) The period of duration, which may be perpetual.

(c) The purpose or purposes for which the corporation is organized.

(d) The aggregate number of shares which the corporation shall have authority to issue; if said shares are to consist of one class only, the par value of each of said shares, or a statement that all of said shares are without par value; or, if said shares are to be divided into classes, the number of shares of each class, and a statement of the par value of the shares of each such class or that such shares are to be without par value.

(e) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, voting power, limitations, restrictions, qualifications, and the special or relative rights in respect of the shares of each class.

(f) The minimum amount of capital with which the corporation shall commence business shall be not less than $1,000.

(g) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between different series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(h) Any provision limiting or denying to shareholders the preemptive right to acquire additional shares of the corporation.

(i) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the internal affairs of the corporation, including any provision which under this act is required or permitted to be set forth in the bylaws.

(j) The address, including street and number, if any, of its initial registered office, and the name of its initial registered agent at such address.

(k) The number of directors constituting the initial board of directors and the names and addresses, including street and number, if any, of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors be elected and qualify.

(l) The name and address, including street and number, if any, of each incorporator.

It shall not be necessary to set forth in the articles of incorporation any of the corporate powers enumerated in this act. Whenever a provision of the articles of incorporation is inconsistent with a bylaw, the provision of the articles of incorporation shall be controlling.

FILING OF ARTICLES OF INCORPORATION

SEC. 48. (a) Duplicate originals of the articles of incorporation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of incorporation to which he shall affix the other duplicate original.

(b) The certificate of incorporation, together with the duplicate original of the articles of incorporation affixed thereto by the Commissioner of Corporations, shall be recorded in the office of the Recorder of Deeds.

EFFECT OF ISSUANCE OF CERTIFICATE OF INCORPORATION

SEC. 49. Upon the issuance of the certificate of incorporation, the corporate existence shall begin, and such certificate of incorporation shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this act, except as against the District of Columbia in a proceeding to cancel or revoke the certificate of incorporation.

REQUIREMENT BEFORE COMMENCING BUSINESS

SEC. 50. A corporation shall not transact any business or incur any indebtedness, except such as shall be incidental to its organization or to obtaining subscriptions to or payment for its shares, until at least the minimum amount of capital set forth in its articles of incorporation as the minimum amount of capital with which it will commence business has been fully paid in.

ORGANIZATION MEETING OF DIRECTORS

SEC. 51. After the issuance of the certificate of incorporation an organization meeting of the board of directors named in the articles of incorporation shall be held within the United States, at the call of a majority of the directors so named, for the purpose of adopting bylaws, electing officers, and the transaction of such other business as may come before the meeting. The directors calling the meeting shall give at least 5 days' notice thereof by mail to each director so elected, which notice shall state the time and place of the meeting: *Provided, however,* That if all the directors shall waive notice in writing and fix a time and place for said organization meeting no notice shall be required of such meeting.

RIGHT TO AMEND ARTICLES OF INCORPORATION

SEC. 52. A corporation may amend its articles of incorporation, from time to time, in any and as many respects as may be desired: *Provided,* That its articles of incorporation as amended contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amendment, and, if a change in shares or the rights of shareholders, or an exchange, reclassification, or cancellation of shares or rights of shareholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, or cancellation.

In particular, and without limitation upon such general power of amendment, a corporation may amend its articles of incorporation, from time to time, so as:

(a) To change its corporate name.

(b) To change its period of duration.

(c) To change, enlarge, or diminish its corporate purposes.

(d) To increase or decrease the aggregate number of shares, or shares of any class, which the corporation has authority to issue.

(e) To increase or decrease the par value of the authorized shares of any class having a par value, whether issued or unissued.

(f) To exchange, classify, reclassify, or cancel all or any part of its shares, whether issued or unissued.

(g) To change the designations of all or any part of its shares, whether issued or unissued, and to change the preferences, voting power, qualifications, limitations, restrictions, and the special or relative rights in respect of all or any part of its shares, whether issued or unissued.

(h) To divide any preferred or special class of shares, whether issued or unissued, into series and fix and determine the designations of such series and the variations in the relative rights and preferences as between the shares of such series.

(i) To authorize the board of directors to establish, out of authorized but unissued shares, series of any preferred or special class of shares and fix and determine the relative rights and preferences of the shares of any series so established.

(j) To authorize the board of directors to fix and determine the relative rights and preferences of the authorized but unissued shares of series theretofore established in respect of which either the relative rights and preferences have not been fixed and determined or the relative rights and preferences theretofore fixed and determined are to be changed.

(k) To revoke, diminish, or enlarge the authority of the board of directors to establish series out of authorized but unissued shares of any preferred or special class and fix and determine the relative rights and preferences of the shares of any series so established.

(l) To change shares having a par value, whether issued or unissued, into the same or a different number of shares without par value, and to change shares without par value, whether issued or unissued, into the same or a different number of shares having a par value.

(m) To change the share of any class, whether issued or unissued, and whether with or without par value, into a different number of shares of the same class or into the same or a different number of shares, either with or without par value, of other classes.

(n) To create new classes of shares having rights and preferences either prior and superior or subordinate and inferior to the shares of any class then authorized, whether issued or unissued.

(o) To limit, deny, or grant to shareholders of any class the preemptive right to subscribe for or acquire additional shares of the corporation, whether then or thereafter authorized.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION BEFORE ACCEPTANCE OF SUBSCRIPTIONS TO SHARES

SEC. 53. Amendments to the articles of incorporation before any subscriptions to shares have been accepted by the board of directors shall be made in the following manner:

(a) Amended articles of incorporation modifying, changing, or altering the original articles of incorporation shall be signed by all of the living or competent incorporators who signed the original articles of incorporation, verified and filed in duplicate in the office of the Commissioner of Corporations. Such amended articles of incorporation shall contain only such provisions as might be lawfully contained in original articles of incorporation if made at the time of making such amended articles of incorporation.

(b) Such amended articles of incorporation shall be delivered in duplicate original to the Commissioner of Corporations. If the Commissioner of Corporations finds that such amended articles of incorporation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(c) Upon the issuance of the amended articles of incorporation, the amended articles of incorporation shall become effective and shall take the place of the original articles of incorporation.

PROCEDURE TO AMEND ARTICLES OF INCORPORATION AFTER ACCEPTANCE OF SUBSCRIPTION TO SHARES

SEC. 54. Amendments to the articles of incorporation shall be made in the following manner:

(a) The board of directors shall adopt a resolution setting forth the proposed amendment and directing that it be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each shareholder of record entitled to vote at such meeting within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If the meeting be an annual meeting, the proposed amendment or such summary shall be included in the notice of such annual meeting.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on the proposed amendment. The proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless any class of shares is entitled to vote as a class in respect thereof, as hereinafter provided, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least two-thirds of the outstanding shares of each class of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote.

(d) Any number of amendments may be submitted to the shareholders, and voted upon by them, at one meeting.

WHEN ENTITLED TO VOTE BY CLASSES

SEC. 55. The holders of the outstanding shares of a class whether by the provisions of the articles of incorporation such class of stock is entitled to vote or not shall be entitled to vote as a class upon a proposed amendment which would—

(a) Increase or decrease the aggregate number of authorized shares of such class.

(b) Increase or decrease the par value of the shares of such class.

(c) Effect an exchange, reclassification, or concellation of all or part of the shares of such class.

(d) Effect an exchange, or create a right of exchange, of all or any part of the shares of another class into the shares of such class.

(e) Change the designations, preferences, limitations, voting, or relative rights of the shares of such class.

(f) Change the shares of such class having a par value into the same or a different number of shares without par value, or change the shares of such class without par value into the same or a different number of shares having a par value.

(g) Change the shares of such class, whether with or without par value, into a different number of shares of the same class, or into the same or a different number of shares, either with or without par value, of other classes.

(h) In the case of a preferred or special class of shares, divide the shares of such class into series and fix and determine the designation of such series and the variations in the relative rights and preferences between the shares of such series.

(i) Create a new class of shares having rights and preferences prior and superior to the shares of such class.

(j) Limit or deny the existing preemptive rights of the shares of such class.

ARTICLES OF AMENDMENT

SEC. 56. (a) The articles of amendment shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the name of the corporation;

(2) the amendment so adopted;

(3) the date of the adoption of the amendment by the shareholders;

(4) the number of shares outstanding, and the number of shares entitled to vote, and if the shares of any class are entitled to vote as a class, the designation of each such class and the number of outstanding shares thereof entitled to vote;

(5) the number of shares voted for and against such amendment, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class voted for and against such amendment, respectively;

(6) if such amendment provides for an exchange, reclassification, or concellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected;

(7) if such amendment effects a change in the amount of stated capital, or paid-in surplus, or both, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus as changed by such amendment.

(b) If issued shares without par value are changed into the same or a different number of shares having par value, the aggregate par value of the shares into which the shares without par value are changed shall not exceed the sum of (1) the amount of stated capital represented by such shares without par value, and (2) the amount of surplus, if any, transferred to stated capital on account of such change, and (3) any additional consideration paid for such shares with par value and allocated to stated capital.

FILING OF ARTICLES OF AMENDMENT

SEC. 57. (a) Duplicate originals of the articles of amendment shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of amendment conform to law, he shall, when all fees and taxes have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of amendment to which he shall affix the other duplicate original.

(b) The certificate of amendment with the duplicate original of the articles of amendment affixed thereto shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF CERTIFICATE OF AMENDMENT

SEC. 58. (a) Upon the issuance of the certificate of amendment, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

(b) No amendment shall affect any existing cause of action in favor of or against such corporation, or any pending suit to which such corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by amendment, no suit brought by or against such corporation under its former name shall abate for that reason.

REDEMPTION AND CANCELLATION OF SHARES

SEC. 59. (a) If the articles of incorporation provide that redeemable shares redeemed shall be canceled and shall not be reissued, then, in the event of such cancellation of shares, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled.

(b) No redemption or purchase of redeemable shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

(c) When redeemable shares of a corporation have been canceled pursuant to the provisions of the articles of incorporation, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation had authority to issue, itemized by classes and series;

(3) the number of shares canceled, itemized by classes and series;

(4) the number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to the cancellation;

(5) a statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(6) a statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation after giving effect to such cancellation.

(d) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(e) The duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

(f) The filing of such statement by the Commissioner of Corporations shall operate as an amendment to the articles of incorporation and shall reduce the number of shares of the class so canceled which the corporation is authorized to issue by the number of shares so canceled.

(g) Nothing contained in this section shall be construed to forbid a reduction of authorized shares or a reduction of stated capital in any other manner permitted by this act.

CANCELLATION OF REACQUIRED SHARES

SEC. 60. (a) A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it through redemption, purchase, or otherwise, and in the event of such cancellation a statement of cancellation shall be filed as provided in this section. When any reacquired shares have been canceled by resolution of the board of directors, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(3) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class before giving effect to such cancellation;

(4) the number of shares canceled, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement that the shares so canceled were canceled by a resolution duly adopted by the board of directors;

(6) the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such cancellation;

(7) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation before giving effect to such cancellation;

(8) a statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation after giving effect to such cancellation.

(b) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the filing of such statement by the Commissioner of Corporations, the stated capital of the corporation shall be deemed to be reduced by that part of the stated capital which was, at the time of such cancellation, represented by the shares so canceled and the shares so canceled shall be deemed to be authorized but unissued shares.

(d) Nothing contained in this section shall be construed to forbid a cancellation of shares or a reduction of stated capital in any other manner permitted by this act.

REDUCTION OF STATED CAPITAL IN CERTAIN CASES

SEC. 61. (a) The reduction of the stated capital of a corporation where such reduction is not accompanied by an exchange, reclassification, or cancellation of shares, or by a reduction in the par value of issued shares, or by a reduction of the number of authorized shares of any class below the number of issued shares of that class, or by a redemption and cancellation of shares, may be made in the following manner:

(1) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(2) Written or printed notice, stating that the purpose of one of the purposes of such meeting is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(3) At such meeting a vote of the shareholders entitled to vote shall be taken on the question of the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote.

(b) When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by the secretary or an assistant secretary, which statement shall set forth—

(1) the name of the corporation;

(2) a copy of the resolution of the shareholders approving such reduction;

(3) the total number of shares outstanding and the number of shares entitled to vote;

(4) the number of shares voted for and against such reduction, respectively;

(5) a statement of the manner in which such reduction is effected, and a statement, expressed in dollars, of the amount of stated capital and the amount of capital surplus of the corporation adjusted to give effect to such reduction.

(c) Such statement shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the office of the Recorder of Deeds.

SEC. 62. (a) No reduction of stated capital shall be made under the provisions of section 61 which would reduce the amount of the aggregate stated capital of the corporation to an amount less than the aggregate preferential amounts payable upon all issued shares having a preferential right in the assets of the corporation in the event of involuntary liquidation, plus the aggregate par value, after such reduction, of all issued shares having a par value but no preferential right in the assets of the corporation in the event of involuntary liquidation.

(b) The surplus, if any, created by or arising out of the reduction of the stated capital of a corporation shall be deemed to be paid-in surplus, except where such reduction is effected by the cancellation of its own shares belonging to the corporation, or by the redemption and cancellation of shares, in either of which events the capital surplus, if any, created by such reduction shall not exceed the amount by which the stated capital represented by such shares exceeded the cost thereof to the corporation.

REDUCTION OF PAID-IN SURPLUS

SEC. 63. A corporation may, by resolution of its board of directors, apply any part or all of its paid-in surplus to the reduction or elimination of any deficit arising from operating or other losses or from dimunition in value of its assets.

PROCEDURE FOR MERGER

SEC. 64. Any two or more domestic corporations may merge into one of such corporations in the following manner:

The board of directors of each corporation shall, by resolution adopted by the majority vote of the members of each such board, approve a plan of merger setting forth:

(a) The names of the corporations proposing to merge, and the name of the corporation into which they propose to merge, which is hereinafter designated as the surviving corporation.

(b) The terms and conditions of the proposed merger.

(c) The manner and basis of converting the shares of each merging corporation into shares or other securities or obligations of the surviving corporation.

(d) A statement of any changes in the articles of incorporation of the surviving corporation to be effected by such merger.

(e) Such other provisions with respect to the proposed merger as are deemed necessary or desirable.

PROCEDURE FOR CONSOLIDATION

SEC. 65. Any two or more domestic corporations may consolidate into a new corporation in the following manner:

The board of directors of each corporation, shall by a resolution adopted by a majority vote of the members of each such board, approve a plan of consolidation setting forth:

(a) The names of the corporations proposing to consolidate, and the name of the new corporation into which they propose to consolidate, which is hereinafter designated as the new corporation.

(b) The terms and conditions of the proposed consolidation.

(c) The manner and basis of converting the shares of each corporation into shares, or other securities, or obligations of the new corporation.

(d) With respect to the new corporation, all of the statements required to be set forth in articles of incorporation for corporations organized under this act.

(e) Such other provisions with respect to the proposed consolidation as are deemed necessary or desirable.

MEETINGS OF SHAREHOLDERS

SEC. 66. The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting. Written or printed notice shall be delivered not less than 20 days before such meeting, either personally or by mail, to each shareholder of record entitled to vote at such

meeting. Such notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

APPROVAL BY SHAREHOLDERS

SEC. 67. At each such meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares of each corporation unless as to any of such corporations two or more classes of shares are issued in which event as to such corporation or corporations the plan of merger or consolidation shall be approved upon receiving the affirmative vote of at least two-thirds of the outstanding shares of each such class.

ARTICLES OF MERGER OR CONSOLIDATION

SEC. 68. (a) Upon such approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation by its president or a vice president, and verified by him, and the corporate seal of each corporation shall be thereto affixed, attested by its secretary or an assistant secretary, and shall set forth—

(1) the plan of merger or the plan of consolidation;

(2) as to each corporation, the number of shares outstanding, and if there are two or more classes of shares issued, the designation of each such class and the number of shares thereof outstanding;

(3) as to each corporation, the number of shares voted for and against such plan respectively, and, if there are two or more classes of shares issued the number of shares of each such class voted for and against such plan, respectively.

(b) Such articles of merger or consolidation shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of merger or consolidation conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of merger or certificate of consolidation to which he shall attach the other duplicate original which shall then be filed for record in the Office of the Recorder of Deeds.

EFFECTIVE DATE OF MERGER OR CONSOLIDATION

SEC. 69. Upon the issuance of the certificate of merger or the certificate of consolidation by the Commissioner of Corporations, the merger or consolidation shall be effected.

EFFECT OF MERGER OR CONSOLIDATION

SEC. 70. When such merger or consolidation has been effected:

(a) The several corporations parties to the plan of merger or consolidation shall be a single corporation, which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation.

(b) The separate existence of all corporations parties to the plan of merger or consolidation, except the surviving or new corporation, shall cease.

(c) Such surviving or new corporation, as the case may be, shall have all the rights, privileges, immunities, and powers and shall be subject to all the duties and liabilities of a corporation organized under this act.

(d) Such surviving or new corporation shall thereupon and thereafter possess all the rights, privileges, immunities, and franchises, as well of a public as a private nature, of each of the merging or consolidating corporations; and all property—real, personal, and mixed—and all debts due on whatever account, including subscriptions to shares, and all other choses in action, and all and every other interest, of or belonging to or due to each of the corporations so merged or consolidated, shall be taken and deemed to be transferred to and vested in such single corporation without further act or deed; and the title to any real estate, or any interest therein, vested in any of such corporations shall not revert or be in any way impaired by reason of such merger or consolidation.

(e) Such surviving or new corporation shall thenceforth be responsible and liable for all the liabilities and obligations of each of the corporations so merged or consolidated; and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or such surviving or new corporation may be substituted in its place. Neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such merger or consolidation.

(f) In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles of incorporation are stated in the articles of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of corporations organized under this act shall be deemed to be the articles of incorporation of the new corporation.

(g) The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the amount thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS

SEC. 71. One or more foreign corporations and one or more domestic corporations may be merged or consolidated if permitted by the laws of the State under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the State under which it is organized.

(b) If the surviving or new corporation, as the case may be, is to be governed by the laws of any State other than the District of Columbia, it shall comply with the provisions of this act with respect to foreign corporations if it is to do business in the District of Columbia, and in every case it shall file with the Commissioner of Corporations—

(1) an agreement that it may be served with process in the District of Columbia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or new corporation;

(2) an irrevocable appointment of the Commissioner of Corporations of the District of Columbia as its agent to accept service of process in any such proceeding; and

(3) an agreement that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount if any, to which they shall be entitled under the provisions of this act with respect to the rights of dissenting shareholders.

(c) The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations, if the surviving or new corporation is to be governed by the laws of the District of Columbia. If the surviving or new corporation is to be governed by the laws of any State other than the District of Columbia, the effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations except insofar as the laws of such other State provide otherwise.

MERGER OF PARENT CORPORATION AND WHOLLY OWNED SUBSIDIARY

SEC. 72. (a) Any corporation now or hereafter organized under the provisions hereof or existing under the laws of the District of Columbia, for the purpose of carrying on any kind of business, owning all of the stock of any other corporation now or hereafter organized hereunder or existing under the laws of the District of Columbia, or now or hereafter organized under the laws of any other State of the United States of America, if the laws under which said other corporation is formed shall permit a merger as herein provided, may file, in duplicate original in the office of the Commissioner of Corporations, a certificate of such ownership in its name and under its corporate seal, signed by its president or a vice president, and its secretary or assistant secretary or assistant treasurer, and setting forth a copy of the resolution of its board of directors to merge such other corporation, and to assume all of its obligations and the date of the adoption thereof. If the Commissioner of Corporations finds that such certificate of ownership conforms to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed", and the month, day, and year of the filing thereof;

(2) File one of such duplicate originals in his office;

(3) issue a certificate of ownership to which he shall affix the other duplicate original which certificate shall then be recorded in the Office of the Recorder of Deeds.

(b) Upon the issuance of the certificate of ownership, the merger shall be effected and thereupon all of the estate, property, rights, privileges, and franchises of such other corporation shall vest in and be held and enjoyed by such parent corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by such other corporation, and be managed and controlled by such parent corporation, and except as hereinafter in this section provided, in its name, but subject to all liabilities and obligations of such other corporation and the rights of all creditors thereof. The parent corporation shall not thereby acquire power to engage in any business, or to exercise any right, privilege, or franchise, of a kind which it could not lawfully engage in or exercise under the provisions of the law or laws by or pursuant to which such parent corporation is organized, or operates in the District of Columbia. The parent corporation shall be deemed to have assumed all of the obligations and liabilities of the merged corporation and shall be liable in the same manner as if it had itself incurred such liabilities and obligations. The parent corporation may relinquish its corporate name and assume in lieu thereof the name of the merged corporation, by including it in a provision to that effect in the resolution of merger adopted by the directors and set forth in the certificate of ownership, and upon the filing of such certificate the change of name shall be completed, with the same force and effect and subject to the same conditions and consequences as if such change had been accomplished by proceedings under the appropriate section of this act.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 73. (a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

(b) If within 30 days after the date on which such merger or consolidation was effected the value of such shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within 90 days after the date on which such merger or consolidation was effected, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the surviving or new corporation for the amount of such fair value as of the day prior to the date on which such vote was taken approving such merger or consolidation, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the surviving or new corporation of the certificate or certificates representing said shares. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the merger or consolidation.

(d) The right of a dissenting shareholder to be paid the fair value of his shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 74. The sale, lease, exchange, mortgage, pledge, or other disposition of less than all, or less than substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of the corporation, may be made upon such terms and conditions and for such considerations, which may consist in whole or in part, of money or property, real or personnel, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as shall be authorized by its board of directors; and in such case no authorization or consent of the shareholders shall be required.

SALE, LEASE, EXCHANGE, OR MORTGAGE OF ASSETS OTHER THAN IN USUAL AND REGULAR COURSE OF BUSINESS

SEC. 75. A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the good will, of a corporation, may be made upon such terms and conditions and for such consideration, which may consist, in whole in or in part, of money or property, real or personal, including shares of any other corporation, whether or not such corporation be organized under the provisions of this act, as may be authorized in the following manner:

(a) The board of directors shall adopt a resolution recommending such sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided by this act for the giving of notice of meetings of shareholders.

(c) At such meetings the shareholders may authorize such sale, lease, exchange, mortgage, pledge, or other disposition and fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote, unless there are two or more classes of stock issued, in which event such authorization shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of each such class of shares issued.

(d) After such authorization by a vote of shareholders, the board of directors nevertheless, in its discretion, may abandon such sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders.

RIGHTS OF DISSENTING SHAREHOLDERS

SEC. 76. (a) If a shareholder shall file with the corporation, prior to or at the meeting of shareholders at which a sale or exchange of all or substantially all of the property and assets of a corporation, is submitted to a vote, a written objection to such sale or exchange, and shall not vote in favor thereof, and such shareholder, within 20 days after the vote was taken, shall make written demand on the corporation for the payment to him of the fair value of his shares as of the day prior to the date on which the vote was taken, the corporation shall pay to such shareholder, upon surrender of his certificate or certificates representing said shares, such fair value thereof. Such demand shall state the number and class of the shares owned by such dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the sale or exchange.

(b) If, within 30 days after the date on which such vote was taken, the value of such shares is agreed upon between the dissenting shareholder and the corporation, the corporation shall make payment of the agreed value within 90 days after the date on which the vote was taken authorizing the sale or exchange, upon the surrender of his certificate or certificates representing said shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

(c) If within such period of 30 days the shareholder and the corporation do not so agree, then the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia, asking for a finding and determination of the fair value of such shares, and shall be entitled to judgment against the corporation for the amount of such fair value as of the day prior to the date on which such vote was taken, together with interest thereon at the rate of 5 percent per annum to the date of such judgment. The judgment shall be payable only upon and simultaneously with the surrender to the corporation of the certificate or certificates representing said shares. Upon the payment of the judgment, the dissenting shareholder shall cease to have any interest in such shares or in the corporation. Unless the dissenting shareholder shall file such petition within the time herein limited, such shareholder and all persons claiming under him shall be bound by the terms of the sale or exchange.

VOLUNTARY DISSOLUTION OF CORPORATION BY ITS INCORPORATORS

SEC. 77. A corporation which has not commenced business and which has not issued any shares may be voluntarily dissolved by its incorporators at any time within 1 year from the date of the issuance of its certificate of incorporation in the following manner:

(a) Articles of dissolution shall be executed in duplicate by a majority of the incorporators, and verified by them, and shall set forth—

(1) the name of the corporation;

(2) the date of issuance of its certificate of incorporation;

(3) that none of its shares have been issued;

(4) that the corporation has not commenced business;

(5) that the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(6) that no debts of the corporation remain unpaid;

(7) that all the incorporators elect that the corporation be dissolved.

(b) Duplicate originals of the articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that the articles of dissolution conform to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution to which he shall affix the other duplicate original which shall be recorded in the Office of the Recorder of Deeds.

(c) Upon the issuance of such certificate of dissolution, the existence of the corporation shall cease.

DISSOLUTION BY CONSENT OF SHAREHOLDERS

SEC. 78. A corporation may be dissolved by the written consent of the holders of record of all of its outstanding shares in the following manner:

Upon the execution of such written consent by all of the shareholders of record, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its officers.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation consenting to its dissolution.

(e) A statement that such agreement has been signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

DISSOLUTION BY ACT OF CORPORATION

SEC. 78. A corporation may be dissolved by the act of the corporation in the following manner:

(a) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of dissolving the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution to dissolve the corporation, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders authorizing the dissolution of the corporation;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the dissolution of the corporation.

FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 80. Duplicate originals of the statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all franchise taxes, fees, and charges have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed" and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the office of the Recorder of Deeds.

EFFECT OF STATEMENT OF INTENT TO DISSOLVE

SEC. 81. Upon the filing by the Commissioner of Corporations of a statement of intent to dissolve, whether by consent of shareholders or by act of the corporation, the corporation shall cease to carry on its business, except insofar as may be necessary for the proper winding up thereof.

PROCEEDINGS AFTER FILING OF STATEMENT OF INTENT TO DISSOLVE

SEC. 82. After the filing by the Commissioner of Corporations of a statement of intent to dissolve—

(a) The corporation shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations, and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(b) The corporation, at any time during the liquidation of its business and affairs, may make application to the United States District Court for the District of Columbia to have the liquidation continued under the supervision of the court as provided in this act.

REVOCATION BY CONSENT OF SHAREHOLDERS OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 83. By the written consent of the holders of record of all of its outstanding shares, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken, in the following manner:

Upon the execution of such written consent by all the shareholders of record, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth and contain—

(a) The name of the corporation.

(b) The names and respective addresses, including street and number, if any, of its offices.

(c) The names and respective addresses, including street and number, if any, of its directors.

(d) A copy of the agreement signed by all shareholders of record of the corporation revoking such voluntary dissolution proceedings.

(e) That such agreement is signed by all shareholders of record of the corporation or signed in their names by their attorneys thereunto duly authorized.

REVOCATION BY ACT OF CORPORATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 84. By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Commissioner of Corporations as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken in the following manner:

(a) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of such revocation be submitted to a vote at a meeting of shareholders.

(b) Written or printed notice stating that the purpose, or one of the purposes, of such meeting is to consider the advisability of revoking the voluntary dissolution proceedings, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this act for the giving of notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders entitled to vote shall be taken on a resolution revoking the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote.

(d) Upon the adoption of such resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, which shall set forth—

(1) the name of the corporation;

(2) the names and respective addresses, including street and number, if any, of its officers;

(3) the names and respective addresses, including street and number, if any, of its directors;

(4) a copy of the resolution of the shareholders revoking the voluntary dissolution proceedings;

(5) the number of shares outstanding and entitled to vote;

(6) the number of shares voted for and against the revocation of the voluntary dissolution proceedings, respectively.

FILING OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 85. Duplicate originals of the statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement conforms to law, he shall, when all fees have been paid as in this act prescribed—

(a) Endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof.

(b) File one of such duplicate originals in his office.

(c) The other duplicate original shall be recorded in the Office of the Recorder of Deeds.

EFFECT OF STATEMENT OF REVOCATION OF VOLUNTARY DISSOLUTION PROCEEDINGS

SEC. 86. Upon the filing by the Commissioner of Corporations of a statement of revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of the corporation, the revocation of the voluntary dissolution proceedings shall become effective and the corporation may thereupon again carry on its business.

ARTICLES OF DISSOLUTION

SEC. 87. When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary which shall set forth—

(a) The name of the corporation.

(b) That the corporation has theretofore filed with the Commissioner of Corporations a statement of intent to dissolve, and the date on which such statement was filed.

(c) That all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor.

(d) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests.

(e) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit.

FILING OF ARTICLES OF DISSOLUTION

SEC. 88. (a) Duplicate originals of such articles of dissolution shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such articles of dissolution conform to law, he shall, when all fees have been paid as in this act prescribed—

(1) endorse on each such duplicate original the word "Filed", and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of dissolution, to which he shall affix the other duplicate original.

(b) He shall return the certificate of dissolution, with a duplicate original of the articles of dissolution thereto affixed, which shall be filed for record in the office of the Recorder of Deeds. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by shareholders, directors, and officers as provided in this act.

INVOLUNTARY DISSOLUTION

SEC. 89. A corporation may be dissolved involuntarily by a decree of a court of equity in an action instituted by the Commissioner of Corporations in the name of the District of Columbia, when it is made to appear to the court that—

(a) The franchise of the corporation was procured through fraud; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for 30 days to appoint and maintain a registered agent as provided in this act; or

(d) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change.

VENUE AND PROCESS

SEC. 90. Every action for the involuntary dissolution of a corporation on the grounds hereinbefore provided shall be commenced by the Commissioner of Corporations in the United States District Court for the District of Columbia. Summons shall issue and shall be served as in other civil actions. In case a return is made thereon that no officer or agent of such corporation can be found within the territorial limits of the District of Columbia, then the Commissioner of Corporations shall cause publication to be made in some newspaper of general circulation published in the District of Columbia containing a notice of the pendency of such action, the title of the court, the names of the parties thereto, and the date on or after which default may be entered. The Commissioner of Corporations shall cause a copy of such notice to be mailed by registered mail to the corporation at its registered office within 10 days after the first publication thereof. The certificate of the Commissioner of Corporations of the mailing of such notice shall be prima facie evidence thereof. Such notice shall be published at least once each week for three successive weeks, and the first publication thereof may begin at any time after the summons has been returned. Unless a corporation shall have been served with summons, no default shall be taken against it earlier than 30 days after the first publication of such notice. The cost of publication of such notice shall be paid by the Commissioner of Corporations, unless the decree is against the corporation and such cost is collected from it.

JURISDICTION OF COURT TO LIQUIDATE ASSETS AND BUSINESS OF CORPORATION

SEC. 91. (a) The United States District Court for the District of Columbia shall have full power to liquidate the assets and business of a corporation—

(1) upon application by a corporation which has filed a statement of intent to dissolve, as provided in this act, to have its liquidation continued under the supervision of the court;

(2) when an action has been commenced by the Commissioner of Corporations to dissolve a corporation and it is made to appear that liquidation of its business and affairs should precede the entry of a decree of dissolution.

(b) Proceedings under this section shall be brought in the United States District Court for the District of Columbia.

(c) It shall not be necessary to make shareholders parties to any such action or proceeding unless relief is sought against them personally.

PROCEDURE IN LIQUIDATION OF CORPORATION BY COURT

SEC. 92. (a) In proceedings to liquidate the assets and business of a corporation the court shall have power to issue injunctions, to appoint a receiver or receivers pendente lite with such powers and duties as the court, from time to time, may direct, and to take such other proceedings as may be requisite to preserve the corporate assets wherever situated, and carry on the busines of the corporation until a full hearing can be had.

(b) After a hearing had upon such notice as the court may direct to be given to all parties to the proceedings and to any other parties in interest designated by the court, the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver or receivers shall have authority, subject to the order of the court, to sell, convey, and dispose of all or any part of the assets of the corporation wherever situated, either at public or private sale. The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver or receivers shall state their powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings.

(c) A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver shall, for the purposes of this act, have exclusive jurisdiction of the corporation and its property, wherever situated.

QUALIFICATIONS OF RECEIVERS

SEC. 93. A receiver shall in all cases give such bond as the court may direct with such sureties as the court may require.

FILING OF CLAIMS IN LIQUIDATION PROCEEDINGS

SEC. 94. In proceedings to liquidate the assets and business of a corporation the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims it shall fix a date, which shall be not less than 4 months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

DISCONTINUANCE OF LIQUIDATION PROCEEDINGS

SEC. 95. The liquidation of the assets and business of a corporation may be discontinued at any time during the liquidation proceedings when it is made to appear to the court that cause for liquidation no longer exists. In such event the court shall dismiss the proceedings and direct the receiver to redeliver to the corporation all its remaining property and assets.

DECREE OF INVOLUNTARY DISSOLUTION

SEC. 96. In proceedings to liquidate the assets and business of a corporation, when the costs and expenses of such proceedings and all debts, obligations, and liabilities of the corporation shall have been paid and discharged and all of its remaining property and assets distributed to its shareholders, or in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, all the property and assets have been applied so far as they will go to their payment, the court shall enter a decree dissolving the corporation, whereupon the existence of the corporation shall cease.

FILING OF DECREE OF DISSOLUTION

SEC. 97. In case the court shall enter a decree dissolving a corporation it shall be the duty of the clerk of such court to cause a certified copy of the decree to be filed with the Commissioner of Corporations. No fee shall be charged by the Commissioner of Corporations for the filing thereof.

DEPOSIT WITH THE COLLECTOR OF TAXES OF THE DISTRICT OF COLUMBIA OF AMOUNT DUE CERTAIN SHAREHOLDERS

SEC. 98. (a) Upon the voluntary or involuntary dissolution of a corporation the portion of the assets distributable to a creditor or shareholder who is unknown or cannot be found, or who is under disability and there is no person legally competent to receive such distributive portion, shall be reduced to cash and deposited with the Collector of Taxes of the District of Columbia and shall be paid over to such creditor or shareholder or to his legal representative, by the Collector of Taxes, upon order of the Commissioner of Corporations and upon proof satisfactory to the Commissioner of Corporations of his right thereto.

(b) If such distributive portion be not deposited with the Collector of Taxes of the District of Columbia as herein provided, the directors of the corporation or the receiver, as the case may be, having control of the distribution of the assets thereof shall be jointly and severally liable to such shareholder for the amount of such distributive portion not so deposited.

SURVIVAL OF REMEDY AFTER DISSOLUTION

SEC. 99. The dissolution of a corporation either (1) by the issuance of a certificate of dissolution by the Commissioner of Corporations, or (2) by proclamation of the Commissioner of Corporations for failure to pay franchise taxes or file annual reports as provided in this act, or (3) by expiration of its period of duration, shall not take away or impair any remedy available to or against such corporation, its directors, or shareholders, or any right or claim existing, or any liability incurred, prior to such dissolution if suit or other proceeding thereon is commenced within 2 years after the date of such dissolution. Any suit or proceeding by or against the corporation may be prosecuted or defended by the corporation in its corporate name. The shareholders, directors, and officers shall have power to take such corporate or other action as shall be appropriate to protect such remedy, right, or claim. If such corporation was dissolved by the expiration of its period of duration, such corporation may amend its articles of incorporation at any time during such period of 2 years so as to extend its period of duration.

ANNUAL REPORT OF DOMESTIC CORPORATION

SEC. 100. (a) Each corporation shall file with the Commissioner of Corporations, on or before April 15 of each year, an annual report setting forth—

(1) the name of the corporation, the address, including street and number, if any, of its registered office in the District of Columbia, and the name of its registered agent at such address;

(2) the names and respective addresses, including street and number, if any, of its directors and officers;

(3) a brief statement of the character of the business in which the corporation is actually engaged;

(4) a statement of the aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

(5) a statement of the aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(b) Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations, and the information therein contained shall be given as of the date of the execution of the report.

(c) It shall be executed by the corporation by its president, a vice president, secretary, assistant secretary, or treasurer, and verified by the officer executing the report, and the corporate seal shall be thereto affixed.

ADMISSION OF FOREIGN CORPORATION

SEC. 101. A foreign corporation shall procure a certificate of authority from the Commissioner of Corporations before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this act to transact in the District the business of banking, insurance, assurance, benefit, indemnity, building and loan association, or the acceptance of savings deposits, such corporations being admitted to and shall do business in the District of Columbia pursuant to the laws relating to such business. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the State under which such corporation is organized governing its organization and internal affairs differ from the laws of the District, and nothing in this act contained shall be construed to authorize the District to regulate the organization or the internal affairs of such corporation.

POWERS OF FOREIGN CORPORATION

SEC. 102. No Foreign corporations subject to the provisions of this act shall transact in the District any business for the conduct of which a domestic corporation may not be organized or which is prohibited to a domestic corporation. A foreign corporation which shall have received a certificate of authority under this act shall, until a certificate of revocation or of withdrawal shall have been issued as provided in this act, enjoy the same rights and privileges as, but no greater rights and privileges than, a domestic corporation organized for the purposes set forth in the application pursuant to which such certificate of authority is issued; and, except as in this act otherwise provided, shall be subject to the same duties, restrictions, penalties, and liabilities now or hereafter imposed upon a domestic corporation of like character.

CORPORATE NAME OF FOREIGN CORPORATIONS

SEC. 103. No certificate of authority shall be issued to a foreign corporation—

(a) Which has a name the same as, or deceptively similar to, the name of any domestic corporation or any foreign corporation authorized to transact business in the District; or a name the exclusive right to which is, at the time, reserved in the manner provided in this act.

(b) The name of which does not contain the word "corporation," "company," "incorporated," or "limited," or end with an abbreviation of one of said words, unless such corporation, for use in the District, adds at the end of its name one of such words or an abbreviation thereof.

CHANGE OF NAME BY FOREIGN CORPORATION

SEC. 104. Whenever a foreign corporation which is admitted to transact business in the District shall change its name to one under which a certificate of authority to transact business in the District would not be granted to it on application therefor, the authority of such corporation to transact business in the District shall be suspended and it shall not thereafter transact any business in the District until it has changed its name to a name which is available to it under the laws of the District.

APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 105. A foreign corporation may procure a certificate of authority to transact business in the District by making application therefor to the Commissioner of Corporations, which application shall set forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its proposed registered office in the District, and the name of its proposed registered agent in the District at such address.

(f) The name or names of the State or States, if any, in which it is admitted or qualified to transact business.

(g) The purpose or purposes for which it was organized and which it proposes to pursue in the transaction of business in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

(j) A statement of the aggregate number of its issued shares itemized by classes, par value of shares, shares without par value, and series, if any within a class.

(k) A statement of the amount of stated capital and the amount of capital surplus of the corporation, as defined in this act.

(l) Such additional information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine whether such corporation is entitled to a certificate of authority to transact business in the District. Such application shall be made on forms prescribed and furnished by the Commissioner of Corporations and shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary.

FILING OF DOCUMENTS ON APPLICATION FOR CERTIFICATE OF AUTHORITY

SEC. 106. (a) There shall be delivered to the Commissioner of Corporations (1) duplicate originals of the application of the corporation for a certificate of authority, and (2) a copy of its articles of incorporation and all amendments thereto, duly certified by the proper officer of the State wherein it is incorporated.

(b) If according to law, a certificate of authority to transact business in the District should be issued to such corporation, the Commissioner of Corporations shall, when all fees and charges have been paid as in this act prescribed—

(1) Endorse on each of such documents the word "Filed," and the month, day, and year of the filing thereof;

(2) File in his office one of such duplicate originals of the application and the copy of the articles of incorporation and amendments thereto;

(3) Issue a certificate of authority to transact business in the District, to which he shall affix the other duplicate original application.

(c) The certificate of authority with the duplicate original of the application affixed thereto by the Commissioner of Corporations shall be returned to the corporation or its representative.

EFFECT OF CERTIFICATE OF AUTHORITY

SEC. 107. Upon the issuance of a certificate of authority by the Commissioner of Corporations, the corporation shall have the right to transact business in the District for those purposes set forth in its application, subject, however, to the right of the District to suspend or to revoke such right to transact business in the District as provided in this act.

REGISTERED OFFICE AND REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 108. (a) Each foreign corporation authorized to transact business in the District shall have and continuously maintain in the District—

(1) a registered office which may be, but need not be, the same as its place of business in the District;

(2) a registered agent, which agent may be either an individual, resident in the District, whose business office is identical with such registered office, or a corporation authorized by its articles of incorporation to act as such agent and authorized to transact business in the District having a business office identical with such registered office.

(b) The address, including street and number, if any, of the initial registered office, and the name of the initial registered agent of each foreign corporation shall be as stated in its application for a certificate of authority to transact business in the District.

CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF FOREIGN CORPORATION

SEC. 109. (a) A foreign corporation may from time to time change the address of its registered office. A foreign corporation shall change its registered agent if the office of registered agent shall become vacant for any reason, or if its registered agent becomes disqualified or incapacitated to act, or if it revokes the appointment of its registered agent.

(b) A foreign corporation may change the address of its registered office or change its registered agent, or both, by filing in the office of the Commissioner of Corporations a statement setting forth—

(1) the name of the corporation;

(2) the address, including street and number, if any, of its then registered office;

(3) if the address of its registered office be changed, the address, including street and number, if any, to which the registered office is to be changed;

(4) the name of its then registered agent;

(5) if its registered agent be changed, the name of its successor registered agent;

(6) that the address of its registered office and the address of the business office of its registered agent, as changed, will be identical;

(7) that such change was authorized by resolution duly adopted by the board of directors or was authorized by an officer of the corporation duly empowered to make such change.

(c) Such statement shall be executed in duplicate by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and shall be delivered to the Commissioner of Corporations. If the Commissioner of Corporations finds that such statement

conforms to the provisions of this act, he shall—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) return the other duplicate original to the corporation or its representative.

(d) The change of address of the registered office, or the change of registered agent, or both, as the case may be, shall become effective upon the filing of such statement by the Commissioner of Corporations.

SERVICE OF PROCESS ON FOREIGN CORPORATION

SEC. 110. (a) Service of process in any suit, action, or proceeding, or service of any notice or demand required or permitted by law to be served on a foreign corporation, may be made on such corporation by service thereof on the registered agent of such corporation. Service of any such process, notice, or demand upon a corporate agent, as such agent, may be had by delivering a copy of such process, notice, or demand to the president, vice president, the secretary, or an assistant secretary of such corporate agent. During any period within which a foreign corporation authorized to transact business in the District shall fail to appoint or maintain in the District a registered agent, or whenever any such registered agent cannot with reasonable diligence be found at the registered office in the District of such corporation, or whenever the certificate of authority of any foreign corporation shall be revoked, then and in every such case the Commissioner of Corporations shall be an agent and representative of such foreign corporation upon whom any process, notice, or demand may be served. Service on the Commissioner of Corporations of any such foreign corporation shall be made by delivering to and leaving with him, or with any clerk having charge of the corporation department of his office, duplicate copies of such process, notice, or demand. In the event any process, notice, or demand is served on the Commissioner of Corporations, he shall immediately cause one of such copies to be forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations. Any services so had on the Commissioner of Corporations shall be returnable in not less than 30 days: *Provided, however,* That, if a period of less than or greater than 30 days is prescribed by law or by rules of a court in the District or the rules or regulations of any agency of the United States or of the District, such prescribed period shall govern.

(b) Nothing herein contained shall limit or affect the right to serve any process, notice, or demand required or permitted by law to be served upon a foreign corporation in any other manner now or hereafter permitted by law.

(c) The Commissioner of Corporations shall keep a record of all processes, notices, and demands served upon him under this section, and shall record therein the time of such service and his action with reference thereto.

AMENDMENT TO ARTICLES OF INCORPORATION OF FOREIGN CORPORATION

SEC. 111. Whenever the articles of incorporation of a foreign corporation authorized to transact business in the District are amended, such foreign corporation shall forthwith file in the office of the Commissioner of Corporations a copy of such amendment duly certified by the proper officer of the State under the laws of which such corporation is organized; but the filing thereof shall not of itself enlarge or alter the purpose or purposes which such corporation is authorized to pursue in the transaction of business in the District, nor authorize such corporation to transact business in the District under any other name than the name set forth in its certificate of authority.

MERGER OF FOREIGN CORPORATION AUTHORIZED TO TRANSACT BUSINESS IN THE DISTRICT

SEC. 112. Whenever a foreign corporation authorized to transact business in the District shall be a party to a statutory merger permitted by the laws of the State under which it is organized, and such corporation shall be the surviving corporation, it shall forthwith file with the Commissioner of Corporations a copy of the articles of merger duly certified by the proper officer of the State under the laws of which such statutory merger was effected; and it shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in the District unless the name of such corporation be changed thereby or unless the corporation desires to pursue in the District other or additional purposes than those which it is then authorized to transact in the District.

AMENDED CERTIFICATE OF AUTHORITY

SEC. 113. (a) A foreign corporation authorized to transact business in the District shall secure an amended certificate of authority in the event it changes its corporate name, or desires to pursue in the District other or additional purposes than those set forth in its prior application for a certificate of authority, by making application therefor to the Commissioner of Corporations.

(b) The requirements in respect to the form and contents of such application, the manner of its execution, the filing of duplicate originals thereof with the Commissioner of Corporations, the issuance of an amended certificate of authority and the effect thereof shall be the same as in the case of an original application for a certificate of authority.

ANNUAL REPORT OF FOREIGN CORPORATIONS

SEC. 114. Each foreign corporation authorized to transact business in the District shall file on or before April 15 of each year with the Commissioner of Corporations an annual report setting forth—

(a) The name of the corporation and the State under the laws of which it is organized.

(b) If the name of the corporation does not contain one of the words "corporation," "company," "incorporated," or "limited," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it has elected to add thereto for use in the District.

(c) The date of its incorporation and the period of its duration.

(d) The address, including street and number, if any, of its principal office in the State under the laws of which it is organized.

(e) The address, including street and number, if any, of its registered office in the District, and the name of its registered agent at such address.

(f) The name or names of the State or States other than the District, if any, in which it is admitted or qualified to transact business.

(g) A brief statement of the character of the business in which it is actually engaged in the District.

(h) The names and respective addresses, including street and number, if any, of its directors and officers.

(i) A statement of the aggregate number of shares which the corporation has authority to issue, and the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.

Such annual report shall be made on forms prescribed and furnished by the Commissioner of Corporations and the information therein contained shall be given as of the date of the execution of the report. It shall be executed by the corporation by its president, vice president, secretary, assistant secretary, or treasurer, and, verified by the officer making the report, and the corporate seal shall be thereto affixed.

WITHDRAWAL OF FOREIGN CORPORATION

SEC. 115. (a) A foreign corporation authorized to transact business in the District may withdraw from the District upon procuring from the Commissioner of Corporations a certificate of withdrawal. In order to procure such certificate of withdrawal, such foreign corporation shall file with the Commissioner of Corporations an application for withdrawal.

(b) the application for withdrawal shall set forth—

(1) the name of the corporation and the State under the laws of which it is organized;

(2) that it is not transacting business in the District;

(3) that it surrenders its authority to transact business in the District;

(4) that it revokes the authority of its registered agent in the District to accept service of process and consents that service of process in any suit, action, or proceeding based upon any cause of action arising in the District during the time it was authorized to transact business in the District may thereafter be made on such corporation by service thereof on the Commissioner of Corporations;

(5) a post-office address to which the Commissioner of Corporations may mail a copy of any process against the corporation that may be served on him;

(6) such information as may be necessary or appropriate in order to enable the Commissioner of Corporations to determine and assess any unpaid fees payable by such foreign corporation as in this act prescribed.

(c) The application for withdrawal shall be made on forms prescribed and furnished by the Commissioner or Corporations and shall be executed by the corporation by its president or a vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, or, if the corporation is in the hands of a receiver or trustee, the same shall be executed on behalf of the corporation by such receiver or trustee and verified by him.

FILING OF APPLICATION FOR WITHDRAWAL

SEC. 116. (a) Duplicate originals of such application for withdrawal shall be delivered to the Commissioner of Corporations. Upon receipt thereof he shall examine the same, and, if he finds that it conforms to the provisions of this act, he shall, when all fees and charges have been paid as in this act prescribed—

(1) endorse on each of such duplicate originals the word filed, and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of withdrawal to which he shall affix the other duplicate original.

(b) The Commissioner of Corporations shall return such certificate of withdrawal with a duplicate original of the application for withdrawal thereto affixed to the corporation or its representative. Upon the issuance of such certificate of withdrawal, the authority of the corporation to transact business in the District shall cease.

REVOCATION OF CERTIFICATE OF AUTHORITY

SEC. 117. The certificate of authority of a foreign corporation to transact business in the District may be revoked by the Commissioner of Corporations when he finds that—

(a) The certificate of authority of the corporation was procured through fraud practiced upon the District; or

(b) The corporation has continued to exceed or abuse the authority conferred upon it by this act; or

(c) The corporation has failed for a period of 90 days to pay any fees, charges, or penalties prescribed by this act; or

(d) The corporation has failed for 90 days to appoint and maintain a registered agent in the District; or

(e) The corporation has failed for 30 days after change of its registered office or registered agent to file in the office of the Commissioner of Corporations a statement of such change; or

(f) The corporation has failed to file its annual report as required by this act; or

(g) The corporation for a period of 2 years has not transacted any business in the District; or

(h) The corporation has failed to file in the office of the Commissioner of Corporations a duly authenticated copy of each amendment to its articles of incorporation within 30 days after such amendment becomes effective; or

(i) A misrepresentation has been made of any material matter in any application, report, affidavit, or other document submitted by such corporation pursuant to this act, in which event the Commissioner of Corporations shall give not less than 30 days' notice forwarded by registered mail, addressed to such corporation at its principal office as the same appears in the records of the Commissioner of Corporations or at its registered office in the District, of his intent to revoke the certificate of authority.

ISSUANCE OF CERTIFICATE OF REVOCATION

SEC. 118. (a) Upon revoking any such certificate of authority, the Commissioner of Corporations shall—

(1) issue a certificate of revocation in duplicate;

(2) file one of such certificates in his office;

(3) mail to such corporation at its registered office in the District a notice of such revocation accompanied by one of such certificates.

(b) Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in the District shall cease.

EFFECT OF REVOCATION OR WITHDRAWAL UPON ACTIONS AND CONTRACTS

SEC. 119. The revocation of certificate of authority or the voluntary withdrawal of a foreign corporation whereby its authority to do business in the District shall cease and be determined, shall not affect any action then pending, nor affect any right of action upon any contract made by the corporation in the District before such revocation or withdrawal, and, in any action upon any liability or obligation so incurred before the revocation or withdrawal, the process against the corporation may be served, after the filing thereof, upon the Commissioner of Corporations.

APPLICATION TO FOREIGN CORPORATIONS TRANSACTING BUSINESS ON THE EFFECTIVE DATE OF THIS ACT

SEC. 120. Foreign corporations transacting business in the District at the time this act takes effect for a purpose or purposes for which a certificate of authority is required under the provisions of this act shall, within 6 months after the effective date of this act, procure a certificate of authority and shall otherwise comply with all applicable provisions of this act. Failure to secure a certificate of authority within the time provided in this section shall subject the corporation to all the penalties, liabilities, and restrictions provided in this act for transacting business without a certificate of authority.

TRANSACTING BUSINESS WITHOUT CERTIFICATE OF AUTHORITY

SEC. 121. (a) No foreign corporation which is subject to the provisions of this act and which transacts business in the District without a certificate of authority shall be permitted to maintain an action at law or in equity in any court of the District until such corporation shall have obtained a certificate of authority. Nor shall an action at law or in equity be maintained in any court of the District by any successor or assignee of such corporation on any right, claim, or demand arising out of the transaction of business by such corporation in the District until a certificate of authority shall have been obtained by such corporation or by a corporation which has acquired all or substantially all of its assets.

(b) The failure of a foreign corporation to obtain a certificate of authority to transact business in the District shall not impair the validity of any contract or act of such corporation, and shall not prevent such corporation from defending any action at law or suit in equity in any court of the District.

(c) A foreign corporation which transacts business in the District without a certificate of authority shall be liable to the District, for the years or parts thereof during which it transacted business in the District without a certificate of authority, in an amount equal to all fees and other charges which would have been imposed by this act upon such corporation had it duly applied for and received a certificate of authority to transact business in the District as required by this act and thereafter filed all reports required by this act; and in addition thereto it shall be liable for a penalty of not in excess of $500. The Commissioner of Corporations shall bring proceedings to recover all amounts due the District under the provisions of this section. Such charges and penalties shall be paid to the District before any certificate of authority is issued to such foreign corporation.

COMMISSIONER OF CORPORATIONS; DUTIES AND FUNCTIONS

SEC. 122. (a) The Commissioners of the District of Columbia shall appoint a Commissioner of Corporations to hold office at their pleasure, who shall have been an actual resident of the District of Columbia during the 5 years next preceding his appointment, and who shall take and subscribe an oath of office to be filed with said Commissioners, and shall give bond for the faithful performance of his official duties in such amount, so conditioned, and with such sureties as the Commissioner may prescribe.

(b) Subject to the approval of the Commissioners of the District of Columbia, the Commissioner of Corporations shall have a seal of office, and shall make and publish regulations and forms and incur expenses, employ necessary assistants, and make annual report to such Commissioners, for the purposes of execution of the provisions of this act; the compensation of the Commissioner of Corporations and all his employees shall be fixed by the Classification Act of 1923, as amended; the seal of office of the Commissioner of Corporations shall be affixed and appear upon certificates and papers executed by the Commissioner of Corporations pursuant to authority of law, and copies thereof certified and authenticated under such seal of office shall have the same force and effect as originals in evidence in any action or proceeding in the District of Columbia.

(c) In the administration and in the enforcement of this act, and of any liabilities thereunder accruing, all proceedings or court actions shall be in the name of the District of Columbia, and therein the counsel and attorney for the Commissioner of Corporations shall be the Corporation Counsel of the District of Columbia.

(d) There are hereby authorized to be appropriated, payable from the revenues of the District of Columbia, such funds as may be necessary to carry into effect the provisions of this act.

FEES, FRANCHISE AND LICENSE TAXES, AND CHARGES

SEC. 123. (a) The Commissioner of Corporations shall charge and collect in accordance with the provisions of this act—

(1) fees for filing documents and issuing certificates;

(2) license fees;

(3) franchise taxes;

(4) miscellaneous charges.

(b) The Commissioner of Corporations shall charge and collect for—

(1) filing articles of incorporation, $20;

(2) filing amendment to articles of incorporation, $20;

(3) filing articles of merger or consolidations, $20;

(4) filing a statement of intent to dissolve, $5;

(5) filing articles of reincorporation, $20;

(6) filing articles of dissolution, $10;

(7) filing statement of change of address of registered office or change of registered agent, or both, $1;

(8) filing statement of the establishment of a series of shares, $5;

(9) filing an application of a foreign corporation for certificate of authority to transact business in this District and issuing a certificate of authority, $20;

(10) filing an application for reservation of a corporate name or for a renewal of reservation, $5;

(11) filing notice of transfer of a reserved corporate name, $5;

(12) filing an application of a foreign corporation for amended certificate of authority to transact business in this District and issuing an amended certificate of authority, $20;

(13) filing a copy of amendment to the articles of incorporation of a foreign corporation holding a certificate of authority to transact business in this District, $5;

(14) filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in this District, $20;

(15) filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, $5;

(16) filing application of reinstatement of a domestic or foreign corporation and issuing certificate of reinstatement, $50;

(17) filing any other statement or report, except an annual report, of a domestic or foreign corporation, $1.

(c) For required recording, indexing of any writings, or certifying same as true copies, the same fees provided by law for recording or certifying deeds of real estate in the District of Columbia.

(d) The Commissioner of Corporations shall charge and collect as a franchise tax—

(1) from every domestic corporation upon the filing of its articles of incorporation the sum of 2 cents for each authorized share of its capital stock up to and including 10,000 shares, and the sum of 1 cent for each additional authorized share up to and including 50,000 shares, and the sum of one-half cent for each additional authorized share in excess of 50,000 shares: *Provided*, That each $100 unit thereof of authorized capital stock having a par value shall be counted as one taxable share: *And provided further*, That in no case the franchise tax payable shall be less than $10;

(2) from every domestic corporation upon the filing of any amendment of its articles of incorporation effecting an increase of its authorized capital stock, the sum equal to the difference between the franchise tax computed at the foregoing rates on the total of the authorized number of shares, including the proposed increase and the franchise tax so computed on the total of the authorized number of shares excluding said increase: *Provided*, That in no case shall the sum payable be less than $10;

(3) from the corporation thereupon created or existing, upon the filing of an agreement for consolidation or merger, a sum equal to the difference between the franchise tax computed at the foregoing rates upon the total of the authorized number of shares of the corporation created by such consolidation or merger and the franchise tax so computed upon the aggregate amount of the total authorized number of shares of the constituent corporations: *Provided*, That in

no case shall the sum payable be less than $20.

(e) The Commissioner of Corporations shall charge and collect as an annual license fee for doing business in the District of Columbia, from each domestic and each foreign corporation, the sum of $10, which annual license fee shall be due and payable on January 1 of each year.

(f) All taxes, fees, and charges provided for in this act shall be paid to the Collector of Taxes of the District of Columbia and deposited in the Treasury of the United States to the credit of the District.

EFFECT OF FAILURE TO PAY ANNUAL FRANCHISE TAX OR TO FILE ANNUAL REPORT

SEC. 124. If any corporation incorporated or reincorporated under this act, or any foreign corporation having a certificate of authority issued under this act, shall for two consecutive years fail or refuse to pay any franchise tax or taxes payable under this act, or fail or refuse to file any annual report as required by this act for two consecutive years, then, in the case of a domestic corporation, the articles of incorporation shall be void and all powers conferred upon such corporation are declared inoperative, and, in the case of a foreign corporation, the certificate of authority shall be revoked and all powers conferred thereunder shall be inoperative.

PROCLAMATION OF REVOCATION

SEC. 125. (a) On the second Monday in September of each year, the Commissioner of Corporations shall issue a proclamation listing the names of all domestic corporations and all foreign corporations which have failed or refused to pay any franchise tax or taxes or failed or refused to file any annual report as required by this act for two consecutive years next preceding June 30 in the year in which such proclamation is issued and upon the issuance of such proclamation the articles of incorporation or the certificate of authority, as the case may be, shall be void and all powers thereunder inoperative without further proceedings of any kind.

(b) The proclamation of the Commissioner of Corporations shall be filed in his office and shall be published once during the month of September in each of two daily newspapers of general circulation in the District of Columbia. A certified copy of the proclamation shall be transmitted to the Recorder of Deeds and he shall cause notation of the fact of revocation to be made upon the articles of incorporation of each domestic corporation listed in said proclamation.

(c) Upon publication of the proclamation of revocation as provided in this act each domestic corporation listed in such proclamation shall be deemed to have been dissolved without further legal proceedings and each such corporation shall cease to carry on its business and shall proceed to collect its assets, convey and dispose of such of its properties as are not to be distributed in kind to its shareholders, pay, satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its business and affairs, and, after paying or adequately providing for the payment of all of its obligations, distribute the remainder of its assets, either in cash or in kind, among its shareholders according to their respective rights and interests.

(d) All domestic corporations the articles of incorporation of which are revoked by proclamation or the term of existence of which expires by limitation set forth in its articles of incorporation shall nevertheless be continued for the term of 3 years from the date of such revocation or expiration bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to collect their assets, convey and dispose of such of their properties as are not to be distributed in kind to their shareholders, pay, satisfy, and discharge their liabilities and obligations and do all other acts required to liquidate their business and affairs, and, after paying or adequately providing for the payment of all its obligations, to distribute the remainder of their assets, either in cash or in kind among their shareholders according to their respective rights and interests, but not for the purpose of continuing the business for which such corporation shall have been organized: *Provided, however*, That with respect to any action, suit, or proceeding begun or commenced by or against a corporation prior to such revocation or expiration and with respect to any action, suit, or proceeding begun or commenced by or against such corporation within 3 years after the date of such revocation or expiration, such corporation shall only for the purpose of such actions, suits, or proceedings so begun or commenced be continued bodies corporate beyond said 3-year period and until any judgments, orders, or decrees therein shall be fully executed.

PENALTY FOR CARRYING ON BUSINESS AFTER ISSUANCE OF PROCLAMATION

SEC. 126. Any corporation, person, or persons who shall exercise or attempt to exercise any powers under articles of incorporation of a domestic corporation or under a certificate of authority of a foreign corporation which has been revoked shall be deemed guilty of a misdemeanor and shall be punished by a fine not exceeding $ or by imprisonment not exceeding , or both, in the discretion of the court.

CORRECTION OF ERROR IN PROCLAMATION

SEC. 127. Whenever it is established to the satisfaction of the Commissioner of Corporations that any corporation named in said proclamation has not failed or refused to pay any franchise tax or file any annual report for two consecutive years, or has been inadvertently included in the list of corporations as so failing or refusing to pay franchise taxes or file reports, the Commissioner of Corporations is authorized to correct such mistake by issuing a proclamation to that effect and restoring the articles of incorporation or certificate of authority, as the case may be, into good standing with like effect as if such proclamation of revocation, as to such corporation, had not been issued.

RESERVATION OF NAME OF PROCLAIMED CORPORATION

SEC. 128. The Commissioner of Corporations shall reserve the names of all corporations the articles of incorporation of which have been revoked and of all foreign corporations the certificates of authority of which have been revoked until December 31 of the year in which the proclamation of revocation was issued and no domestic corporation shall be formed, nor the name of any such domestic corporation changed to a name the same as or deceptively similar to such reserved name nor shall any foreign corporation be authorized to do business under a name the same as or deceptively similar to such reserved name.

REINSTATEMENT OF PROCLAIMED CORPORATIONS

SEC. 129. Upon filing a petition for reinstatement by a proclaimed corporation accompanied by the filing of the delinquent reports, or payment of delinquent franchise tax in full, or both, as the case may be, together with any penalties imposed by this act, and upon payment of the reinstatement fee provided by this act at any time after the date of the issuance of the proclamation, the Commissioner of Corporations, if he finds that all of the documents offered for filing conform to law, shall file them in his office and shall issue his certificate of reinstatement which shall have the effect of annulling the revocation proceedings theretofore taken as to such corporation and such corporation shall have such powers, rights, duties, and obligations as it had at the time of the issuance of the proclamation with the same force and effect as to such corporation as if the proclamation had not been issued.

PENALTY FOR FAILURE TO FILE ANNUAL REPORT ON TIME

SEC. 130. Any corporation organized under this act or any foreign corporation having a certificate of authority under this act which fails or refuses to file the annual report required by this act to be filed on April 15 of each year shall pay a penalty of $25. Such penalty shall be assessed by the Commissioner of Corporations at the time of the assessment of the annual franchise tax.

PENALTY FOR FAILURE TO MAINTAIN REGISTERED OFFICE OR REGISTERED AGENT

SEC. 131. Any corporation incorporated or reincorporated under this act, or any foreign corporation which has been issued a certificate of authority under this act, which fails or refuses to maintain a registered office or a registered agent in the District of Columbia, in accordance with the provisions of this act shall be deemed to be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined in an amount not exceeding $500.

EFFECT OF NONPAYMENT OF FEES

SEC. 132. (a) The Commissioner of Corporations shall not file any articles, statements, certificates, reports, applications, notices, or other papers relating to any corporation, domestic or foreign, organized under or subject to the provisions of this act, until all fees and charges provided to be paid in connection therewith shall have been paid to him or while the corporation is in default in the payment of any fees, charges, or penalties herein provided to be paid by or assessed against it.

(b) No corporation required to pay a fee, charge, or penalty under this act shall maintain in the District of Columbia any action at law or suit in equity until all such fees, charges, and penalties have been paid in full.

PENALTIES; VIOLATION OR FAILURE A MISDEMEANOR

SEC. 133. Any person, or corporation, who violates any provision of this act, or fails to comply with any provision thereof, for which violation or failure no penalty is provided therein or elsewhere in the laws of the District of Columbia, shall be deemed guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be fined not exceeding $500 for each and every violation or failure.

RIGHTS AND IMMUNITIES OF WITNESSES

SEC. 134. No person shall be excused from testifying or from producing books, accounts, and papers in any proceeding based upon or growing out of any violation of the provisions of this act, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to penalty or forfeiture; but no person having so testified shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he may have testified or produced any documentary evidence: *Provided*, That no person so testifying shall be exempted from prosecution or punishment for perjury: *Provided further*, That the immunity hereby conferred shall extend only to a natural person who, in obedience to a subpena gives testimony under oath or produces evidence, documentary or otherwise, under oath.

MONOPOLIES AND RESTRAINT OF TRADE

SEC. 135. Nothing in this act shall be interpreted to authorize a corporation to do any act in violation of the common law or the statutes relating to the District of Columbia or of the United States with respect to monopolies and illegal restraint of trade.

WAIVER OF NOTICE

SEC. 136. Whenever any notice whatever is required to be given under the provisions of this act or under the provisions of the articles of incorporation or bylaws of any corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

VOTING REQUIREMENTS OF ARTICLES OF INCORPORATION

SEC. 137. Whenever, with respect to any action to be taken by the shareholders of a corporation, the articles of incorporation require the vote or concurrence of the holders of a greater proportion of the shares, or of any class or series thereof, than required by this act with respect to such action, the provisions of the articles of incorporation shall control.

INFORMAL ACTION BY SHAREHOLDERS

SEC. 138. Any action required by this act to be taken at a meeting of the shareholders of a corporation, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. In the event that the action which is consented to is such as would have required the filing of a certificate under any section of this act, if such action had been voted upon by the shareholders at a meeting thereof, the certificate filed under such section shall state that written consent has been given hereunder, in lieu of stating that the shareholders have voted upon the corporate action in question, if such last-mentioned statement is required thereby.

APPEAL FROM COMMISSIONER OF CORPORATIONS

SEC. 139. (a) If the Commissioner of Corporations shall refuse to issue an order to the Collector of Taxes of the District of Columbia for the payment over of moneys deposited with said Collector of Taxes pursuant to section 98 of this act, the Commissioner of Corporations shall, within 30 days after the presentation of an application therefor in the manner required by this act, give written notice of his reasons for such refusal to the person who presented such application. From such refusal such person may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of such application and a copy of the written refusal of the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(b) If the Commissioner of Corporations shall fail to approve any articles of incorporation, amendment, merger, consolidation, or dissolution, or any other document required by this act to be approved by the Commissioner of Corporations before the same shall be filed in his office, he shall, within 10 days after the delivery thereof to him, give written notice of his disapproval to the person or corporation, domestic or foreign, delivering the same, specifiying the reasons therefor. From such disapproval such person or corporation may appeal to the United States District Court for the District of Columbia by filing with the clerk of such court a petition setting forth a copy of the articles or other document sought to be filed and a copy of the written disapproval thereof by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(c) If the Commissioner of Corporations shall revoke the certificate of authority to transact business in the District of any foreign corporation, pursuant to the provisions of this act, such foreign corporation may likewise appeal to the United States District Court for the District of Columbia, by filing with the clerk of such court a petition setting forth a copy of its certificate of authority to transact business in the District and a copy of the notice of revocation given by the Commissioner of Corporations; whereupon the matter shall be tried de novo by the court and the court shall either sustain the action of the Commissioner of Corporations or direct him to take such action as the court may deem proper.

(d) Appeals from all final orders and judgments entered by the United States District Court for the District of Columbia under this section in review of any ruling or decision of the Commissioner of Corporations may be taken to the United States Circuit Court of Appeals for the District of Columbia by either party to the proceeding within 60 days after service on such party of a copy of the order or judgment of the United States District Court for the District of Columbia.

CERTIFICATES AND CERTIFIED COPIES OF CERTAIN DOCUMENTS TO BE RECEIVED IN EVIDENCE

SEC. 140. All certificates issued by the Commissioner of Corporations in accordance with the provisions of this act, and all copies of documents filed in his office in accordance with the provisions of this act when certified by him, shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts therein stated. A certificate by the Commissioner of Corporations under the seal of his office, as to the existence or nonexistence of the facts relating to corporations which would not appear from a certified copy of any of the foregoing documents or certificates shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

UNAUTHORIZED ASSUMPTION OF CORPORATE POWERS

SEC. 141. All persons who assume to act as a corporation without authority so to do shall be jointly and severally liable for all debts and liabilities incurred or arising as a result thereof.

FORMS TO BE FURNISHED BY COMMISSIONER OF CORPORATIONS

SEC. 142. All reports required by this act to be filed in the office of the Commissioner of Corporations shall be made on forms which shall be prescribed and furnished by the Commissioner of Corporations. Forms for all other documents to be filed in the office of the Commissioner of Corporations shall be furnished by the Commissioner of Corporations on request therefor, but the use thereof, unless otherwise specifically prescribed in this act, shall not be mandatory.

REINCORPORATION OR INCORPORATION OF EXISTING CORPORATIONS

SEC. 143. Any corporation which is either—

(1) organized and existing under the laws of the District of Columbia on the date this act takes effect and which is organized for profit and for a purpose or purposes authorized by this act; or

(2) created under the provisions of a special act of Congress to transact business in the District of Columbia for profit and for purposes authorized by this act;

may avail itself of the provisions of this act and may become reincorporated or incorporated hereunder in the following alternative manner:

I. REINCORPORATION

(a) The board of directors shall adopt a resolution declaring it advisable in the judgment of the board that the corporation should be reincorporated under the provisions of this act and further setting forth the following statements for articles of incorporation under this Act:

(1) The name which the corporation elects to be reincorporated under and which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

(8) That it elects to surrender its existing charter and to be reincorporated under and subject to the provisions of this Act.

It shall not be necessary to set forth in the articles of reincorporation any of the corporate powers enumerated in this Act.

(b) Written or printed notice setting forth the proposed articles of reincorporation or a summary thereof shall be given to each shareholder of record within the time and in the manner provided in this act for giving notice of meetings of shareholders.

(c) At such meeting a vote of the shareholders shall be taken on the proposed reincorporation and it shall be adopted upon receiving the affirmative vote of the holders of two-thirds of the outstanding shares unless two or more classes of shares are issued in which event, it shall be adopted upon receiving the affirmative vote of two-thirds of the outstanding shares of each class issued.

(d) Upon receiving such approval, articles of reincorporation shall be executed in duplicate by the corporation by its president or vice president, and verified by him, and the corporate seal shall be thereto affixed, attested by its secretary or an assistant secretary, and delivered to the Commissioner of Corporations.

(e) If the Commissioner of Corporations finds that the articles of reincorporation conform to law, he shall, when all fees and charges have been paid as in this act, prescribed—

(1) endorse on each of such duplicate originals the word "Filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) issue a certificate of reincorporation to which he shall attach the other duplicate original which shall be filed for record in the Office of the Recorder of Deeds; or—

II. INCORPORATION

EFFECT OF FILING ARTICLES OF REINCORPORATION

(a) By filing with the Commissioner of Corporations a copy of its charter, or articles of incorporation, then in effect, certified by the secretary of said corporation, together with a certificate executed on behalf of the corporation by the president or a vice president and the secretary or the assistant secretary setting forth the following:

(1) The name of the corporation, which shall contain the word "corporation," "company," "incorporated," or "limited," or shall end with an abbreviation of one of said words.

(2) The designation of the address, including street and number, if any, of its registered office in the District of Columbia; and the name of its registered agent at such address.

(3) The purpose or purposes for which the corporation was organized and which it will hereafter carry on.

(4) The aggregate number of shares which the corporation was authorized to issue and, if said shares were of one class only, the par value of such shares, or a statement that all were without par value, as the case may be; or if said shares were divided into classes, the number of shares of each class, if any, that have a par value and the par value of each share of each such class, and the number of shares of each class, if any, that are without par value.

(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power.

(6) The number of directors of the corporation.

(7) Any other provisions, not inconsistent with law, or this act, for the regulation of the internal affairs of the corporation.

It shall not be necessary to set forth in such certificate any of the corporate powers enumerated in this act.

(b) A copy of a resolution of the board of directors certified to by the Secretary of such corporation which shows that said board believes it advisable that the corporation should elect to avail itself of the provisions of this act and become incorporated hereunder.

(c) A certificate of the secretary of such corporation to the effect that such action by the corporation has been ratified and approved by the affirmative vote of not less than a majority of the outstanding shares of capital stock of such corporation entitled to vote.

(d) If the Commissioner of Corporations finds that such papers conform to law, he shall accept them for filing in the same manner as herein provided for the filing of articles of incorporation.

EFFECT OF FILING ARTICLES OF REINCORPORATION OR CERTIFICATES OF REINCORPORATION

SEC. 144. Upon the issuance of articles of reincorporation or the certificate of reincorporation by the Commissioner of Corporations the existence of the corporation shall be continued under this act and the corporation shall be entitled to and be possessed of all the privileges, franchises, and powers and subject to all the provisions of this act as fully and to the same extent as if such corporation had been originally incorporated under this act; and all privileges, franchises, and powers theretofore belonging to said corporation and all property, real, personal, and mixed, and all debts due on whatever account, and all choses in action, and all and every other interest of or belonging to or due such corporation shall be, and the same are hereby, ratified, approved, and confirmed and assured to such corporation with like effect and to all intents and purposes as if the same had been originally acquired through incorporation under this act: *Provided, however,* That any corporation thus reincorporating or incorporating under the provisions of this act shall be subject to all the contracts, debts, claims, duties, liabilities, and obligations of the corporations thus reincorporated or incorporated as if such reincorporation or incorporation had not taken place and neither the rights of creditors nor any liens upon the property of any such corporation shall be impaired by such reincorporation or incorporation. Such reincorporated or incorporated corporation shall not be subject to the payment of the initial franchise tax provided by this act.

TRANSFER OF DUTIES OF RECORDER OF DEEDS

SEC. 145. (a) All powers conferred and all duties imposed upon the Recorder of Deeds of the District of Columbia by any act of Congress in relation to the organization of corporations, the amendment of certificates of incorporation or charters of corporations, change in capital stock, change of name, reincorporation, dissolution, or other corporate action are on the effective date of this act hereby transferred to, imposed upon, and shall be exercized or performed by the Commissioner of Corporations; and wherever the words "Recorder of Deeds" or other words denoting that officer appear in any of the acts of Congress relating to the organization of corporations under the laws of the District of Columbia, or to amendments to the certificate of incorporation or charter of any corporation organized and existing under any of such acts, or to changes of name, changes of capital stock, reincorporation, dissolution, or other corporate action of any such corporation, whether such words relate to the powers and duties of such officer in relation to organization of corporations under any such acts, or to any of the corporate acts hereinbefore enumerated or are used in connection with the imposition of obligations or duties or the conferring of rights or privileges upon corporations or other persons, such words shall be construed to mean the Commissioner of Corporations. All fees and charges, except as hereinafter provided, now chargeable by the Recorder of Deeds for doing the work or performing the services hereby transferred to the Commissioner of Corporations shall, after the effective date of this act, be chargeable by the Commissioner of Corporations. On and after the effective date of this act all certificates of incorporation or charters for the organization of corporations under any act of Congress or for the amendment of any such certificate of incoporation or charter, changes in capital stock, reincorporation, disssolution, or other corporate action under any such act, shall be delivered to the Commissioner of Corporations in duplicate original. If the Commissioner of Corporations finds that any such document conforms to law, he shall, when all fees have been paid as prescribed by law—

(1) endorse on each such duplicate original the word "filed," and the month, day, and year of the filing thereof;

(2) file one of such duplicate originals in his office;

(3) the other duplicate original returned by the Commissioner of Corporations shall be recorded in the Office of the Recorder of Deeds, and he shall charge the usual fee for recordation as for deeds of real estate.

(b) The filing of such document in the Office of the Commissioner of Corporations shall have the same force and effect as the recordation or lodging for recordation of certificates of incorporation and other corporate documents hereinbefore enumerated, formerly had in the Office of the Recorder of Deeds.

(c) Upon the effective date of this act, the Commissioner of Corporations shall take possession of all original books, papers, and records theretofore filed, recorded, used, or acquired by the Recorder of Deeds in the exercise of the powers and in the performance of the duties hereby transferred to the Commissioner of Corporations, but nothing herein contained shall require the Recorder of Deeds to transfer any copies or transcripts of corporate papers that may constitute part of the records of his office.

CONSTITUTIONALITY

SEC. 146. The invalidity of any portion of this act shall not affect the validity of any other portion thereof which can be given effect without such invalid part.

RIGHT OF REPEAL RESERVED

SEC. 147. Congress reserves the right to alter, amend, or repeal this act, or any part thereof, or any certificate of incorporation or certificate of authority issued pursuant to its provisions.

TIME OF TAKING EFFECT

SEC. 148. This act shall take effect 180 days after the date of its approval, and thereafter no corporation eligible to be formed under this act shall be incorporated under any other act or statute now in force in the District of Columbia.

The amendment was agreed to.

Mr. CORDON. Mr. President, I notice the bill contains 255 pages of matter. I should like at least to have a slight explanation of what we are passing here, by unanimous consent, in view of the magnitude of the bill.

Mr. KEM. Mr. President, this is a comprehensive code for the organization of corporations under the laws of the District of Columbia. The present code has been in effect for many years, and is by no means modern. In the last Congress, the Senator from Nevada [Mr. MCCARRAN] introduced a bill to modernize the code, but the bill was not passed. At this session, another bill, incorporating a part of the bill prepared by the Senator from Nevada, and including, in part, a bill prepared by the American Bar Association, was prepared by a committee of the Bar Association of the District of Columbia, under the chairmanship of Mr. Roger J. Whiteford, a well-known practitioner in that field at the bar of the District of Columbia. The bill was endorsed by the District of Columbia Bar Association and was sent to Congress, with an accompanying letter by Mr. George E. McNeil, president of the Bar Association of the District of Columbia, which letter appears at page 50 of the report recommending its passage.

At page 51 of the report there is a letter from Mr. Roger J. Whiteford, chairman of the committee that prepared the bill, also recommending its passage.

I think that any Senator, on careful examination of the bill, will find that it is a complete, modern, workable code for the organization of corporations. Under the present law, practically every corporation organized by citizens of the District of Columbia goes to a State like Maryland, or Delaware, or Maine. The purpose and intent of the law is to furnish a modern code for inhabitants of the District, so that when they have oc-

casion to organize corporations they can do so under the laws of the District.

Mr. CORDON. Mr. President, I have no objection.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 8) was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF TREASURY DEPARTMENT CHIEF DISBURSING OFFICER

The Senate proceeded to consider the bill (S. 1350) to authorize relief of the Chief Disbursing Officer, Division of Disbursement, Treasury Department, and for other purposes, which had been reported from the Committee on Expenditures in the Executive Departments with an amendment, to strike out all after the enacting clause and insert the following:

That the General Accounting Office is authorized, after consideration of the pertinent findings and if in concurrence with the determinations and recommendations of the head of the department or independent establishment concerned, to relieve any disbursing or other accountable officer or agent or former disbursing or other accountable officer or agent of any such department or independent establishment of the Government charged with responsibility on account of physical loss or deficiency for any reason whatsoever of Government funds, vouchers, records, checks, securities, or papers in his charge, if the head of the department or independent establishment determines (1) that such loss or deficiency occurred while such officer or agent was acting in the discharge of his official duties, or that such loss or deficiency occurred by reason of the act or omission of a subordinate of such officer or agent; and (2) that such loss or deficiency occurred without fault or negligence on the part of such officer or agent. This act shall be applicable only to the actual physical loss or deficiency of Government funds, vouchers, records, checks, securities, or papers, and shall not include deficiencies in the accounts of such officers or agents resulting from illegal or erroneous payments.

SEC. 2. The paragraph of the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1920, and for other purposes," approved July 11, 1919, relating to relief of disbursing officers of the Navy (41 Stat. 132; U. S. C., title 31, sec. 105), and the act entitled "An act to authorize relief of disbursing officers of the Army on account of loss or deficiency of Government funds, vouchers, records, or papers in their charge," approved December 13, 1944 (58 Stat. 800; U. S. C., title 31, sec. 95a), is hereby repealed.

The amendment was agreed to.

Mr. BALL. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. Mr. President, the bill, which was originally requested by the Secretary of the Treasury, had as its original and sole purpose the providing, through the Comptroller General of the United States; of a channel of relief for present and former disbursing personnel, of the Division of Disbursement of the Treasury Department, who were under liability on account of physical loss or deficiency in Government funds, vouchers, records, or papers. The justification for the request by the Secretary of the Treasury is that, at the present time, relief of the kind with which this bill is concerned is required to be granted either through passage of a special relief bill by the Congress or by the filing of suit by the responsible person in the United States Court of Claims, the latter to be done at the personal expense of the responsible person. Both methods are costly and time consuming.

In the course of study of the proposal submitted by the Secretary of the Treasury, the staff of the committee developed the following pertinent facts:

First. The type of relief sought to be granted by the bill is entirely equitable because it covers only cases where the occurrence of the loss or deficiency clearly is beyond the control of the person to whom liability attaches.

Second. The War and Navy Departments have, for a number of years, enjoyed a similar type of legislation.

Third. The Comptroller General of the United States is wholly in support of the principles involved in the proposed legislation.

Fourth. In the particular interest of the Post Office Department, which has a vast number of employees in the category affected by the bill, the coverage of the legislation as proposed by the Secretary of the Treasury requires modification to include cases of secondary, in addition to primary, responsibility.

The Treasury originally proposed that they should be the final judge as to whether an employee or disbursing officer was at fault or not. The committee changed that to make the Comptroller General the final person who could grant the relief, rather than the head of the department.

The committee emphasizes also that the bill is directed to relief for physical loss or deficiency with respect to which the accountable Government employee is found to be wholly innocent of fault or negligence. The bill does not permit the granting of relief to any person who is guilty of wrongdoing by way of erroneous or illegal payments, embezzlement, or otherwise.

The committee gave the bill careful consideration, and consulted with the Comptroller General in respect to it.

The PRESIDENT pro tempore. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 1350) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize relief of accountable officers of the Government, and for other purposes."

AMENDMENT OF FEDERAL CROP INSURANCE ACT—BILL PASSED OVER

The bill (S. 1326) to amend the Federal Crop Insurance Act was announced as next in order.

Mr. HICKENLOOPER. Mr. President, may we have an explanation of the bill?

Mr. AIKEN. The bill reduces the scope of the Federal crop-insurance program. During the last few years there has been a pretty heavy loss in the insurance of crops. The committee felt that Federal crop insurance is rather in the experimental stage, and for that reason approved the bill, which reduces the scope of the crop-insurance program. We felt that if that were not done perhaps there would be no justification for continuing it at all. We thought at the same time that it should be continued on an experimental basis for some time longer.

The bill reduces the number of counties in which cotton crops may be insured to 56, instead of 800 or 900. It reduces the wheat-insurance program to 633 counties, instead of the 1,300 or 1,400 counties that have been insured. The reason for that reduction is not that money has been lost on wheat insurance, because, on the whole, the wheat-insurance program is in the black, but because so many counties demanded insurance where only a few acres or only a comparatively small part of the cropland was used for wheat, that the overhead expense of maintaining an establishment to insure those counties was out of all proportion, and placed an unfair burden on the regular Wheat Belt of the country.

The bill provides for an increase in the experimental insurance on tobacco, and, I believe, corn, from 20 to 50 acres. The reason for that is that there has been a very substantial profit made on the insurance on tobacco, and I think corn is slightly in the black.

The bill also authorizes the Government to enter into contracts with private insurance companies in a few counties—I think the number allowed is 20—to see if through cooperative effort, by using the staffs of the insurance companies which are writing fire insurance in those counties, it will be possible to work out some program whereby counties in which certain crops are of lesser importance may also receive insurance in the future.

The bill changes the board which handles the crop insurance program. Up to now the Secretary of Agriculture had been a member of the Board and he has appointed the other members. The bill provides that the Board shall consist of five members, three of whom shall be appointed by the Secretary of Agriculture from the Department, and two of whom shall be experienced insurance men who may be paid on a per diem basis.

The whole purpose of the bill is to try to get crop insurance on a practical basis. In order to do so we feel that it is necessary to experiment with it a little while longer. So far as I know there is not the slightest objection on the part of the private insurance companies to the program. In fact they are very much interested in it, and are looking forward to the time when they may be able to cooperate in it, but at present they do not feel that they themselves want to undertake it, except that some of them sell hail insurance.

There is one other portion of the bill which provides for increasing the capital stock of the Corporation from $100,000,000 to $150,000,000. Most of the $100,000,000 has been spent on reimbursing losses on cotton. They have been very heavy. The loss was $40,000,000 last year, although the other crops are in the black. Therefore, we felt that cotton should be put on an experimental

basis again, and we have reduced the number of counties in which insurance can be written to 56.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CORDON. I am in accord with the thought that further experience is necessary, and that it would be altogether proper to follow some plan of experiment. I note, however, that there is an increase of the capital stock from $100,000,000 to $150,000,000. My understanding is that some $80,000,000 of the original $100,000,000 has now been used up in paying the excess insurance over the amount of premiums collected. Is that correct?

Mr. AIKEN. The Senator is correct. It is approximately that amount.

Mr. CORDON. There would be about $70,000,000 available for the purpose of experiment. That would appear to be rather a large sum for experimental purposes. I should particularly like to have the Senator advise us as to what is going to be done to set up a proper insurance program basis so that the hazards can at least be approximately offset by the actual insurance premiums paid.

Mr. AIKEN. That is the purpose of continuing it as an experimental program, because in the long run it must be made self-supporting if it is to continue. Most of the crops have been self-supporting. Unfortunately, there has been a heavy loss on cotton. However, this year, while the Federal Crop Insurance Board have their fingers crossed, the present indications are that they will finish in the black for all crops. But we feel that we should experiment further in the matter of premiums. That is one reason for cutting out many counties. Perhaps there is a county in which not more than 100 acres of wheat are grown, which is 500 miles from the wheat belt, and yet under the present law the Board has had to insure those 100 acres if the owner demanded it. I believe at the present time about 20 percent of the wheat crop of the country is under insurance.

With respect to tobacco, insurance has been limited to 20 experimental counties. We are raising that number to 40 counties because the experience has been good. There probably was more experience on the part of private insurance companies to be made use of in fixing premiums in those counties. The purpose is to make the insurance of crops self-supporting. The committee added an amendment which provides that the enactment of the legislation shall not break the contracts which have already been entered into for this year's insurance.

I might also say that there is a bill on the House calendar——

Mr. LUCAS. Mr. President, I demand the regular order.

The PRESIDENT pro tempore. The Senator from Illinois demands the regular order. The time of the Senator from Vermont has expired.

Mr. TAFT. Mr. President, I feel obliged to object. It seems to me the bill would require the expenditure of $50,000,000 more this year. I think a matter of that sort ought to be considered in more detail than is possible under the 5-minute rule.

The PRESIDENT pro tempore. The bill will be passed over.

PATENT IN FEE TO CLAUDE E. MILLIKEN

The Senate proceeded to consider the bill (S. 714) authorizing the Secretary of the Interior to issue a patent in fee to Claude E. Milliken, which had been reported from the Committee on Public Lands with amendments, on page 1, line 3, after the word "That", to insert "upon application in writing;" and in line 7, after the word "numbered", to strike out "144, the north half, north half, south half, south half, southwest" and insert "144, the north half, the north half of the south half and the south half of the southwest", so as to make the bill read:

Be it enacted, etc., That, upon application in writing, the Secretary of the Interior is authorized and directed to issue to Claude E. Milliken, of Billings, Mont., a patent in fee to the following described lands allotted to him on the Crow Indian Reservation, Montana: Allotment No. 144, the north half, the north half of the south half and the south half of the southwest quarter, of section 21, township 4 south, range 28 east, containing 560 acres, and the north half, northwest half of section 24, township 5 south, range 26 east, Montana principal meridian, containing 80 acres.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MANAGEMENT OF RESTRICTED LANDS OF CROW TRIBE, MONTANA

The bill (S. 1317) to give to members of the Crow Tribe the power to manage and assume charge of their restricted lands for their own use or for lease purposes, while such lands remain under trust patents was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, except as otherwise provided in this act, members of the Crow Tribe of Indians of Montana shall have power to use, lease, or otherwise manage their allotted lands and the allotted lands of their minor children, and to receive and manage the income therefrom, without supervision by any officer or agency of the United States.

SEC. 2. The allotted lands of members of such tribe who have been adjudged incompetent by a court or who are orphan minors shall be managed to the best interests of such members, jointly by the officer of the United States in charge of the Crow Indian Reservation and the next of kin of such persons.

SEC. 3. (a) No lease of lands for grazing or farming purposes shall be made under the authority of this act for a period longer than 5 years, except that irrigable lands under the Big Horn unit of the Crow Indian irrigation project may be leased for farming purposes for a period not exceeding 10 years.

(b) All leases of lands for farming or grazing purposes made under the authority of this act shall be recorded for public inspection at the Crow Indian Agency office.

SEC. 4. In any case in which, by reason of the number of heirs, the division of income from inherited allotted lands of members of the Crow Tribe is impracticable or involves unwarranted expense, such heirs shall be authorized to sell such lands and to receive the proceeds of such sale, but in any such sale preference shall be given to prospective purchasers who are members of such tribe. Upon any such sale, the Secretary of the Interior is authorized and directed to convey legal title to such lands to the purchaser thereof.

BYLAWS OF PROTESTANT EPISCOPAL CHURCH IN THE DISTRICT OF COLUMBIA

The bill (S. 1402) to authorize the parishes and congregations of the Protestant Episcopal Church in the District of Columbia to establish bylaws governing the election of their vestrymen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the parishes and separate congregations of the Protestant Episcopal Church in the District of Columbia may by bylaws provide for the manner of conducting elections of vestrymen, the number of vestrymen to be elected, and the length of the terms of the offices of vestrymen. Such bylaws may be adopted at any annual meeting of members of the parish or congregation by a vote of two-thirds of the qualified voters present at such meeting: *Provided*, That notice at least 30 days prior to the meeting shall be given by the vestry to all qualified voters of the parish or congregation that such bylaws are to be presented and voted upon.

SEC. 2. Any bylaws adopted as authorized by this act shall be subject to amendment, modification, or repeal at any annual meeting of the parish or congregation in the same manner as herein provided for adoption of such bylaws. Notice shall be given to all qualified voters of the parish or congregation at least 30 days prior to any annual meeting of any proposed amendment, modification, or repeal of any of the bylaws adopted pursuant to this act.

COLLECTION OF TRANSCRIPT FEES BY OFFICIAL REPORTERS OF MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

The bill (S. 1462) to authorize the official reporters of the municipal court for the District of Columbia to collect fees for transcripts, and for other purposes, was announced as next in order.

Mr. JOHNSTON of South Carolina. Mr. President, may we have an explanation of the bill?

Mr. KEM. Mr. President, it is customary for official reporters of courts to sell transcripts at regular rates to those who desire to buy them. That is usually provided for by law. In the case of reporters in the municipal courts of the District of Columbia they have no such authority, and the bill gives them the usual and customary privilege.

The PRESIDING OFFICER (Mr. IVES in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in addition to their annual salaries, official reporters for the municipal court for the District of Columbia are authorized to charge and collect from parties, including the United States and the District of Columbia, who request transcripts of the original records of proceedings, such fees therefor, and no other, as may be prescribed from time to time by the court. All supplies shall be furnished by the official reporters at their own expense. The court shall have the power and is hereby directed to prescribe such rules, practice, and procedure pertaining to fees for transcripts as it may deem necessary, and the same shall conform as nearly as may be

practicable to the rules, practice, and procedure pertaining to fees for transcripts established for the District Court of the United States for the District of Columbia. No fee shall be charged or taxed for any copy of a transcript delivered to a judge at his request or for any copies of a transcript delivered to the clerk of the court for the records of the court. Except as to transcripts that are to be paid for by the United States or the District of Columbia, the reporters may require any party requesting a transcript to prepay the estimated fee therefor in advance of delivery of the transcript.

METROPOLITAN POLICE BAND

The bill (H. R. 2470) to authorize the establishment of a band in the Metropolitan Police force was considered, ordered to a third reading, read the third time, and passed.

FUNDS FOR RECEPTION AND ENTERTAINMENT OF OFFICIALS IN THE DISTRICT OF COLUMBIA

The bill (H. R. 3547) to authorize funds for ceremonies in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF ESTABLISHMENT OF THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S. J. Res. 129) to provide for the appropriate commemoration of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia, which had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 10, after the word "citizens", to insert "residents in the District of Columbia", so as to make the joint resolution read:

Resolved, etc., That, to provide for the appropriate commemomation of the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia in the year 1800, there is hereby established a commission to be known as the National Capital Sesqui-Centennial Commission, hereinafter referred to as the "Commission") and to be composed of 15 Commissioners, as follows: The President of the United States, who shall be ex officio Chairman; the President pro tempore of the Senate and the Speaker of the House of Representatives, ex officio; three Senators to be appointed by the President pro tempore of the Senate and three Representatives to be appointed by the Speaker of the House of Representatives; three residents of the District of Columbia to be appointed by the President after receiving the recommendations of the Board of Commissioners of the District of Columbia; and three prominent citizens residents in the District of Columbia at large to be appointed by the President. The Commissioners, with the approval of the Chairman, shall select an Executive Vice Chairman from among their number.

SEC. 2. It shall be the duty of the Commission, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the signalizing the one hundred and fiftieth anniversary of the establishment of the seat of the Federal Government in the District of Columbia; to give due and proper consideration to any plan which may be submitted to it; to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions or by bodies created under appointment by the governors of the respective States and Territories or by representative civic bodies; and, if the participation of other nations in the commemoration be deemed advisable, to communicate with the governments of such nations.

SEC. 3. When the Commission shall have approved of any plan of commemoration, then it shall submit such plan, insofar as it may relate to the fine arts, to the Commission of Fine Arts for its approval, and, insofar as it may relate to the plan of the National Capital and its history, to the National Capital Park and Planning Commission and the Board of Commissioners of the District of Columbia for their joint approval, and in accordance with statutory requirements.

SEC. 4. The Commission, after selecting an Executive Vice Chairman from among its members, may employ a director and a secretary and such other assistants as may be needed to organize and perform the necessary technical and clerical work connected with the Commission's duties and may also engage the services of expert advisers without regard to civil-service laws and the Classification Act of 1923, as amended, and may fix their compensation within the amounts appropriated for such purposes.

SEC. 5. The Commissioners shall receive no compensation for their services, but shall be paid actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties, out of the amounts appropriated therefor.

SEC. 6. The Commission shall, on or before the 2d day of January 1948, make a report to the Congress, in order that further enabling legislation may be enacted.

SEC. 7. The Commission shall expire December 31, 1952.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

ISSUANCE OF SEWER BONDS BY HONOLULU

The bill (S. 1419) to enable the Legislature of the Territory of Hawaii to authorize the city and county of Honolulu, a municipal corporation, to issue sewer bonds, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act or of any act of this Congress to the contrary notwithstanding, may authorize the city and county of Honolulu, a municipal corporation of the Territory of Hawaii, to issue general-obligation bonds in the sum of $5,000,000 for the purpose of enabling it to construct, maintain, and repair a sewerage system in the city of Honolulu.

SEC. 2. The bonds issued under authority of this act may be either term or serial bonds, maturing, in the case of term bonds, not later than 30 years from the date of issue thereof, and, in the case of serial bonds, payable in substantially equal annual installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

SEC. 3. Act — of the Session Laws of Hawaii, 1947, pertaining to the issuance of sewerage-system bonds, as authorized by this act, is hereby ratified and confirmed subject to the provisions of this act: *Provided, however*, That nothing herein contained shall be deemed to prohibit the amendment of such Territorial legislation by the Legislature of the Territory of Hawaii from time to time to provide for changes in the improvements authorized by such legislation and for the disposition of unexpended moneys realized from the sale of said bonds.

PUBLIC IMPROVEMENT BONDS FOR THE TERRITORY OF HAWAII

The bill (S. 1420) to authorize the issuance of certain public-improvement bonds by the Territory of Hawaii, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, during the years 1947 to 1951, inclusive, the Territory of Hawaii is authorized and empowered to issue, any provision of the Hawaiian Organic Act or any other act of Congress to the contrary notwithstanding, public-improvement bonds in such amounts as will not cause the total indebtedness of such Territory to exceed $35,000,000. Any extension of the total indebtedness of such Territory beyond $35,000,000 shall be made solely in conformity with the Hawaiian Organic Act.

SEC. 2. All bonds issued pursuant to section 1 shall be serial bonds payable in substantially equal annual installments, with the first such installment maturing not later than 5 years from the date of issue and the last such installment maturing not later than 30 years from such date.

SEC. 3. Bonds shall not be issued pursuant to section 1 without the approval of the President of the United States.

BILL PASSED OVER

The bill (S. 1038) to amend the Federal Airport Act was announced as next in order.

Mr. BARKLEY, Mr. McFARLAND, and other Senators asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

RETURN OF ITALIAN PROPERTY IN THE UNITED STATES

The joint resolution (S. J. Res. 138) to provide for returns of Italian property in the United States, and for other purposes, was announced as next in order.

Mr. BYRD. Mr. President, may we have an explanation of the joint resolution?

Mr. VANDENBERG. Mr. President, I am very glad to explain the joint resolution. I think I can do so briefly.

I am sure that the purposes of the joint resolution will meet the unanimous desires of the Senate, as expressed at the time the Italian Peace Treaty was agreed to. This is one of the several very definite steps which the American Government is now undertaking to take by way of cooperation with the new democratic government in Italy.

In the course of the war $60,000,000 worth of Italian property in the United States was either blocked or vested. Forty-five million dollars of this Italian property in the United States was blocked by the Treasury. That can be unblocked by the Treasury without legislative action, as a result of negotiations with the new Italian Government. Such negotiations are now under way.

The other $15,000,000 of property was vested in the Alien Property Custodian. The difference in the types of property is that, speaking generally, the property which was blocked would be current

property, liquid property, money, and securities. The vested property is permmanent property. The vested property cannot be taken out from under the Alien Property Custodian and returned to the Italian owners without an act of Congress. It is the purpose, therefore, of the joint resolution to permit the return of $15,000,000 of Italian property to Italian owners, with a reservation of about $5,000,000 to pay any possible American claims against it. That is one purpose of the joint resolution.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. Are any patent rights involved in this proposal? I ask that question because in the case of Germany a great many valuable patent rights were acquired by the Alien Property Custodian and made available to our people.

Mr. VANDENBERG. It is my understanding that there are almost no patent rights involved in this particular transaction.

The other half of the bill deals with the loss of Italian merchant ships which we took over and operated in connection with the process of the war. Many of them were damaged, but even those cannot be returned to the new Italian Government without this legislation because heretofore Italy has been classified exclusively as an enemy, and it is necessary to change her classification to that of a cobelligerent in order to create the authority for the return of the ships.

In addition, perhaps 15 Italian merchant ships were taken over by us and used during the war. They were lost; and it is proposed, as an act of grace and as an act of acknowledgment of the cobelligerency of the Italian Government under the proclamations of General Eisenhower and the then President of the United States, to replace that tonnage with Liberty-ship tonnage.

Senators will understand that Liberty-ship tonnage is of no particular value to the United States. There are something like 2,300 Liberty ships in existence; 500 of them have been sold to foreign operators, 1,200 are currently under charter, and four or five hundred are in lay-up under the jurisdiction of the Maritime Commission. The remainder, consisting of several hundred, are simply rotting in the same old fashion that we saw after World War I, choking the rivers and harbors in many areas of the country. It will require about 28 of these Liberty ships to offset the tonnage loss which it is now proposed to restore to Italy. Even the scrap value of those ships is less than $10,000 apiece. However, the attitude of the American people, as expressed in this legislation, will be an incalculably valuable uplift in connection with the difficulties and vicissitudes of the new democratic government in Italy, and it is believed that the passage of the joint resolution will be of very great psychological advantage.

Mr. PEPPER. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. PEPPER. I shall not object to the joint resolution. I respect the point of view of the able Senator from Michigan, who has presented the case; but I cannot withhold the observation that it is a little incongruous for us to pay the Italian Government or people for ships which we took over during the war, during which time no state of cobelligerency existed. While we are replacing the Italian ships, I wish it were possible for the Italians to replace the American boys who were killed in Italy.

Mr. VANDENBERG. I totally agree with the Senator's point of view; but we confront a condition and not a theory today.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. McCARRAN. Does this involve turning over to Italy any tankers?

Mr. VANDENBERG. No. These are 28 of the Liberty ships—not the Victory ships, but the old Liberty ships—which are out of commission, and simply tied up in stand-by storage. They are of no use whatever to us.

Mr. McCARRAN. My reason for asking the question is that in committees of the Senate quite recently the question of oil has been involved. It has been brought out that we now have tankers rusting in certain harbors which could be used for bringing oil to this country. If it is proposed to turn such tankers over to some other country, whether it be Italy or any other country, it seems to me that that would be an error at this time.

Mr. VANDENBERG. I assure the Senator that there is nothing involved except old Liberty ships, not tankers. The ships are of no value beyond a possible scrap value of a maximum of $10,000 each.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. JOHNSTON of South Carolina. If any damage has been done to the ships, will we have to make good the damage?

Mr. VANDENBERG. No. The ships are to be delivered on what is called an as-is-where-is basis.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. RUSSELL. I believe that the joint resolution is the initial enactment of the Congress recognizing that Italy was a cobelligerent.

Mr. VANDENBERG. I think that is true.

Mr. RUSSELL. I have never been able to accept that point of view. I think Italy became only nominally a cobelligerent after she was utterly defeated. I have been unable to understand some of the things done to determine that she was a cobelligerent.

Will that determination involve in the future any financial or other contribution on the part of the Government to make good other Italian war losses?

Mr. VANDENBERG. No. This is the only point at which the designation is involved, and it is involved solely because the property was taken over by the Alien Property Custodian. So far as concerns American claims involving American property in Italy which was destroyed or damaged, it is compensated for under the terms of the treaty, and there is no obligation of any nature created by this legislation beyond that which I have described. It involves the liquidation of Italian property in the United States. In any event it would have to be liquidated someday.

Mr. RUSSELL. Mr. President, I shall not object to the joint resolution. I should like to do all I can to sustain any form of democratic government in Italy. However, I have grave apprehension that these Liberty ships and other ships being delivered to the democratic government in Italy today may in the future wind up in the hands of some government which cannot be called democratic.

Mr. VANDENBERG. I think that is true. Nevertheless, I think that is a chance worth taking at the moment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President, or such officer or agency as he may designate, is hereby authorized to return, in accordance with the procedures provided for in section 32 of the Trading With the Enemy Act, as amended, any property or interest, or the net proceeds thereof, which has been, since December 18, 1941, vested in or transferred to any officer or agency of the United States pursuant to the Trading With the Enemy Act, as amended, and which immediately prior to such vesting or transfer was the property or interest of Italy or a citizen or subject of Italy, or a corporation or association organized under the laws of Italy.

SEC. 2. Section 32 (a) (2) of the Trading With the Enemy Act of October 6, 1917 (40 Stat. 411), as amended, is hereby further amended to read as follows:

"(2) that such owner, and legal representative or successor in interest, if any, are not—

"(A) the Government of Germany, Japan, Bulgaria, Hungary, or Rumania; or

"(B) a corporation or association organized under the laws of such nation: *Provided*, That any property or interest or proceeds which, but for the provisions of this subdivision (B), might be returned under this section to any such corporation or association, may be returned to the owner or owners of all the stock or such corporation or of all the proprietary and beneficial interest in such association, if their ownership of such stock or proprietary and beneficial interest existed immediately prior to vesting in or transfer to the Alien Property Custodian and continuously thereafter to the date of such return (without regard to purported divestments or limitations of such ownership by any government referred to in subdivision (A) hereof) and if such ownership was by one or more citizens of the United States or by one or more corporations organized under the laws of the United States or any State, Territory, or possession thereof, or the District of Columbia: *Provided further*, That such owner or owners shall succeed to those obligations limited in aggregate amount to the value of such property or interest or proceeds, which are lawfully assertible against the corporation or association by persons not ineligible to receive a return under this section; or

"(C) an individual voluntarily resident at any time since December 7, 1941, within the territory of such nation, other than a citizen of the United States or a diplomatic or con-

sular officer of Italy or of any nation with which the United States has not at any time since December 7, 1941, been at war: *Provided*, That an individual who, while in the territory of a nation with which the United States has at any time since December 7, 1941, been at war, was deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation of such nation discriminating against political, racial, or religious groups, shall not be deemed to have voluntarily resided in such territory; or

"(D) an individual who was at any time after December 7, 1941, a citizen or subject of Germany, Japan, Bulgaria, Hungary, or Rumania, and who on or after December 7, 1941, and prior to the date of the enactment of this section, was present (other than in the service of the United States) in the territory of such nation or in any territory occupied by the military or naval forces thereof or engaged in any business in any such territory: *Provided*, That notwithstanding the provisions of this subdivision (D) return may be made to an individual who, as a consequence of any law, decree, or regulation of the nation of which he was then a citizen or subject, discriminating against political, racial, or religious groups, has at no time between December 7, 1941, and the time when such law, decree, or regulation was abrogated, enjoyed full rights of citizenship under the law of such nation; or

"(E) a foreign corporation or association which at any time after December 7, 1941, was controlled or 50 percent or more of the stock of which was owned by any person or persons ineligible to receive a return under subdivisions (A), (B), (C), or (D) hereof: *Provided*, That notwithstanding the provisions of this subdivision (E), return may be made to a corporation or association so controlled or owned, if such corporation or association was organized under the laws of a nation any of whose territory was occupied by the military or naval forces of any nation with which the United States has at any time since December 7, 1941, been at war, and if such control or ownership arose after March 1, 1938, as an incident to such occupation and was terminated prior to the enactment of this section;

and"

SEC. 3. The first sentence of section 33 of the Trading With the Enemy Act (40 Stat. 411), as amended, is hereby further amended to read as follows:

"SEC. 33. No return may be made pursuant to section 9 (a) or 32 (a) unless notice of claim for return has been filed within 2 years from the seizure or vesting in the Alien Property Custodian, as the case may be, of the property or interest in respect of which the claim is made or by August 8, 1948, or in the case of claims pursuant to section 32 (a) by Italy, citizens or subjects of Italy, or corporations or associations organized under the laws of Italy, by July 31, 1949, whichever is later."

SEC. 4. The President is authorized upon such terms as he deems necessary (a) to transfer to the Government of Italy all vessels which were under Italian registry and flag on September 1, 1939, and were thereafter acquired by the United States and are now owned by the United States; and (b) with respect to any vessel under Italian registry and flag on September 1, 1939, and subsequently seized in United States ports and thereafter lost while being employed in the United States war effort, to transfer to the Government of Italy surplus merchant vessels of the United States of a total tonnage approximately equal to the total tonnage of the Italian vessels lost: *Provided*, That no monetary compensation shall be paid either for the use by the United States or its agencies of former Italian vessels so acquired or seized or for the return or transfer of such vessels or substitute vessels.

The preamble was agreed to.

PRINTING OF PROCEEDINGS ATTENDING UNVEILING OF STATUE OF FORMER SENATOR WILLIAM E. BORAH

The concurrent resolution (S. Con. Res. 18) providing for the printing of proceedings held at the unveiling of the statue of William E. Borah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there be printed, with illustrations, and bound in such form and style as may be directed by the Joint Committee on Printing 5,900 copies of the proceedings held in connection with the unveiling of the statue of former Senator William E. Borah in Statuary Hall, Capitol Building, Washington, D. C., on June 6, 1947, together with such other matter as may be relevant thereto, of which 1,250 copies shall be for the use of the Senate, 3,750 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Idaho.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

RESOLUTION PASSED OVER

The resolution (S. Res. 127) prohibiting under certain conditions the printing in the body of the CONGRESSIONAL RECORD of matter offered as a part of the remarks of a Senator, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDENT pro tempore. The resolution will be passed over.

CAROLYN CRUM ORBELLO

The resolution (S. Res. 128) to pay a gratuity to Carolyn Crum Orbello, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Carolyn Crum Orbello, daughter-in-law of Elsie M. Orbello, late an employee of the Senate, a sum equal to 6 months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MEMORIAL TO ANDREW J. MELLON

The resolution (H. J. Res. 170) authorizing the erection in the District of Columbia of a memorial to Andrew J. Mellon, was announced as next in order.

Mr. LUCAS. Mr. President, may I inquire how much this is going to cost?

Mr. WHERRY. It will be at no cost to the Government. I think it is to be located at a point near the National Art Gallery.

Mr. CORDON. Mr. President, it will not cost as much as the Andrew Mellon Art Gallery cost.

Mr. WHERRY. I would not want to venture an opinion on that. I am satisfied that the testimony was that it would not cost the Government anything.

Mr. LUCAS. I object.

The PRESIDING OFFICER. The joint resolution will be passed over.

Mr. LUCAS subsequently said: Mr. President, I ask unanimous consent to return to House Joint Resolution 170, order No. 400. I desire to withdraw my objection.

The Senate proceeded to consider the resolution (H. J. Res. 170) to authorize the Secretary of the Interior to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the District of Columbia, which had been reported from the Committee on Rules and Administration with amendments, on page 1, line 6, after "grounds", to strike out "at" and insert "in the vicinity of"; in line 9, after "design", to insert "and location"; in line 10, after "Arts", to insert "and the National Capital Park and Planning Commission", so as to make the joint resolution read:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to grant authority to the Andrew W. Mellon Memorial Committee to erect a memorial fountain on public grounds in the vicinity of the intersection of Pennsylvania and Constitution Avenues, in the District of Columbia, such grounds being now owned by the United States: *Provided*, That the design and location of the memorial shall be approved by the National Commission of Fine Arts and the National Capital Park and Planning Commission, and the United States shall be put to no expense in or by the erection of this memorial: *Provided further*, That unless funds, which in the estimation of the Secretary of the Interior are sufficient to insure the completion of the memorial, are certified available, and the erection of this memorial begun within 5 years from and after the date of passage of this joint resolution, the authorization hereby granted is revoked.

The amendments were agreed to.

The joint resolution was passed.

CONCURRENT RESOLUTIONS PASSED OVER

The resolution (S. Con. Res. 11), creating a joint committee to investigate certain matters affecting agriculture, was announced as next in order.

Mr. AIKEN. Mr. President, I ask to have the resolution go over. The Senator from Minnesota will confer with the chairman of the House Committee on Agriculture.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The resolution (S. Con. Res. 6) to include all general appropriation bills in one consolidated general appropriation bill, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be passed over.

AMENDMENT TO FEDERAL RESERVE ACT

The bill (S. 1519) to amend section 10 of the Federal Reserve Act as amended, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That the ninth paragraph of section 10 of the Federal Reserve Act, as added by the act of June 3, 1922, and amended by the act of February 6, 1923 (U. S. C., title 12, sec. 522), is hereby amended by changing the period at the end thereof to a colon and by adding the following proviso: "*Provided further*, That the cost as above specified shall not be so limited as long as the aggregate of such costs which are incurred by all Federal Reserve banks for branch bank buildings with the approval of the Board of Governors after the date of enactment of this proviso does not exceed $10,000,000."

CONSOLIDATED GENERAL APPROPRIATION BILL

Mr. BYRD. Mr. President, I should like to return to order No. 402, Senate Concurrent Resolution No. 6, to include all general appropriation bills in one consolidated general appropriation bill.

The PRESIDING OFFICER. That concurrent resolution has been passed over.

Mr. BYRD. Mr. President, the Senator from New Hampshire [Mr. BRIDGES] introduced this concurrent resolution. It provides for one omnibus appropriation bill. It simply follows the experience of all the 48 States, as far as I know, in that respect. It is strongly endorsed by the Senator from New Hampshire [Mr. BRIDGES], chairman of the Appropriations Committee, in a letter to me, in which he said:

I am glad to have your letter of February 7 outlining the gist of the resolution which you and Senator BUTLER have redrafted. I want you to know that I heartily approve of this proposed resolution and I feel that it will be of great assistance to the Members of Congress in presenting prospective budgetary statistics in a readily comprehensible and workable form, something which has heretofore been lacking in the matter of congressional understanding of appropriation bills.

It seems to me that this resolution is in accord with our conversation of last Saturday night and is in all respects an excellent scheme for carrying into effect the intent of the Legislative Reorganization Act.

This resolution was considered carefully by the Budget Bureau, the Treasury Department, and the General Accounting Office. It has the full approval of those agencies with respect to the practicability of the resolution. It was then considered very carefully by a subcommittee headed by the distinguished Senator from Nebraska [Mr. WHERRY]. The present Presiding Officer is a member of the committee. It was unanimously reported to the full committee and appeared, by unanimous consent, on the calendar as the report of the committee.

I think it would add greatly to the understanding of the Senate if we could have one appropriation bill and have the totals of each of the 12 subsections. It is felt that the 12 appropriation bills we now have are subsections of the general appropriation bill. This would enable us to understand what we are doing with respect to appropriations.

I dare say there is not a Member of the Senate, excepting the members of the Appropriations Committee, who have any definite information whatever as to what we are doing in connection with these bills that are introduced, frequently without notice and without the possibility of a clear understanding on the part of the general membership of the Senate as to the great sums which are appropriated.

As I have said, it has been carefully worked out and it has the approval of all the members of the committee. It is the same procedure which is established in every State in the Union. I think it would be conducive to economy and to a full understanding of the budget appropriations.

It further provides that there shall be information given with respect to each item appropriated, showing how much is to be expended in the current year and how much in the succeeding year, so that there can be an estimate made at the time of the complete amount appropriated for expenditure. When we pass an appropriation bill it does not mean that the sum involved will be expended in the current year. It may be expended in the following year.

I hope Senators will not insist upon objecting to it, but will let it pass and go to the House. It will have no effect until the first of next January.

Mr. WHERRY. Mr. President, as chairman of the subcommittee I would like to say that the committee did a great deal of work in its study of this measure, and it was because of that work, as the present occupant of the chair knows, that the agencies finally reached a total agreement as to how the bill should operate.

I simply want to substantiate and corroborate the statement just made by the distinguished Senator from Virginia. The bill came from the subcommittee and from the full committee with a unanimous report. It has been carefully prepared, and I think it is in total agreement with all the Government agencies.

The PRESIDING OFFICER. Is there any objection?

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The concurrent resolution will be pased over.

TRANSFER OF BLAIR COUNTY, PA.

The bill (H. R. 325) to transfer Blair County, Pa., from the middle judicial district of Pennsylvania, to the western judicial district of Pennsylvania, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 493) to provide for the coordination of agencies disseminating technological and scientific information, was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. WHERRY. I ask to have the bill go over.

Mr. FULBRIGHT. It is not out of order to ask for an explanation, is it?

Mr. WHERRY. No. I beg the Senator's pardon. I am not making an objection. I am making the request on behalf of a Senator who is absent.

Mr. FULBRIGHT. This bill was introduced last year, and I wish to call the attention of the Senator from Ohio [Mr. TAFT] and the Senator from Nebraska [Mr. WHERRY] to the fact that it has been very greatly modified. So far as I know, all the controversial aspects of the bill relating to patents and to research have been removed from it. It provides for a clearinghouse of information on the one hand and on the other hand gives legislative authority for declassification activities, if that is the proper way to put it, in connection with technical knowledge which we are getting out of Germany. That, for the immediate future, is the principal activity. There is no legislative authority for that activity. It will be recalled that appropriation for it was stricken out in the House on that ground. But it is an exceedingly important activity, and I really think it is noncontroversial; namely, the activity of getting information and making it available to industry in this country.

Mr. BALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BALL. I believe the collection of scientific information is authorized by law, but the whole item was stricken out in the House because there was a research program in connection with it which was not authorized. The whole thing went out. In the Senate the Office of Technical Service was put back. What the bill would do—and I am very much in favor of it—is to authorize the Secretary of Commerce to reproduce these records and sell them.

Mr. FULBRIGHT. I had understood it was stricken out but was put back by the Senate. I may not be correct about that. The main thing I want to call to the attention of the Senate is that the bill is greatly restricted in scope and will not have the objections which were made to the original bill which was introduced last year. This has been greatly changed. I hope it will pass on the next call of the calendar. I want to make an effort to get it up as soon as possible, because I do not think there will be any substantial objection.

The PRESIDING OFFICER. On objection, the bill will go over.

The bill (H. R. 1389) to amend the Veterans' Preference Act of 1944 was announced as next in order.

Mr. PEPPER. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

KENDUSKEAG STREAM, MAINE

The bill (H. R. 599) declaring Kenduskeag Stream, Penobscot County, Maine, to be a nonnavigable waterway was considered, ordered to a third reading, read the third time, and passed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (H. Con. Res. 51) against adoption of Reorganization Plan No. 3 of May 27, 1947, was announced as next in order.

Mr. TAFT. Let the concurrent resolution be passed over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

DRAW-BACKS ON EXPORTATION OF DISTILLED SPIRITS AND WINES

The bill (H. R. 959) to amend section 3179 (b) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

MANUFACTURE OF WINES

The bill (H. R. 1945) to amend sections 2801 (e) (4), 3043 (a), 3044 (b), and 3045 of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

Mr. CONNALLY. Mr. President, I wish to ask the chairman of the committee about this bill and the one following on the calendar. According to the calendar, they were reported from the Committee on Banking and Currency.

Mr. MILLIKIN. Mr. President, the bills themselves show correctly the committee by which they were reported. The calendar is in error in indicating that Calendar Nos. 414 and 415 were reported from the Committee on Banking and Currency. As a matter of fact, both of them were reported from the Committee on Finance.

The PRESIDING OFFICER. The printed copies of the bills, now at the desk, so indicate. The clerk will state the next measure on the calendar.

BLENDING AND AGING OF BRANDIES IN BOND

The bill (H. R. 1946) to amend section 2801 (e) of the Internal Revenue Code was considered, ordered to a third reading, read the third time, and passed.

REPRESENTATION OF AMERICAN SMALL BUSINESSMEN ON POLICY-MAKING BODIES

The concurrent resolution (S. Con. Res. 14) favoring a fair representation of American small businessmen on policy-making bodies created by Executive appointment was considered and agreed to, as follows:

Resolved, etc., That the Congress recognize the valid claim of the small businessmen of America to equal representation as an entity, with labor, agriculture, and other groups, on those Government commissions, boards, committees, or other agencies in which the interests of the American economy may be affected; and that the President of the United States, the members of the Cabinet, and other officers of the Government be, and hereby are, respectfully urged to accord the small businessmen of America representation on such Government agencies including particularly policy-making bodies created by Executive appointment.

The preamble was agreed to.

CARRY-OVERS TO RAILROADS

The Senate proceeded to consider the bill (H. R. 3861) to allow to a successor railroad corporation the benefits of certain carry-overs of a predecessor corporation for the purposes of certain provisions of the Internal Revenue Code which had been reported from the Committee on Finance, with amendments, on page 1, line 6, to strike out "1948" and insert "1950"; on page 2, in line 7, after the word "taxable", to strike out "years; and" and insert "year, and"; and on page 4, after line 21, to insert:

(c) This section shall be applicable to those taxable years of the successor corporation to which there is a carry-over of a net operating loss or unused excess profits credit under section 1, and to any later taxable year for which a net operating loss deduction or unused excess profits credit adjustment results or is increased by reason of the use in another year of a carry-over permitted under section 1.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

REGULATION OF INSURANCE BUSINESS

The bill (S. 1508) to amend the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33) was announced as next in order.

Mr. TAFT. Mr. President, may we have an explanation of the bill?

Mr. McCARRAN. Mr. President, the Senate will recall that during the Seventy-ninth Congress, the Congress passed an act requiring certain conditions to be met by the insurance companies, through the State legislatures, to set themselves aright with the decision of the Supreme Court of the United States. The Judiciary Committee, over which I had the privilege of presiding until the first of January of this year, made a study of this subject at my direction, to see what had been done up to that time. The study has been continued up to date.

We find that it is necessary now to extend the provisions of Senate bill 15, which was the law permitting the insurance industry to set itself aright, from the 1st of January, 1948 to the 1st of July 1948, in order that the Congress may make its own investigation as to whether the insurance industry is bringing itself in line, so that no further legislation from the Federal Congress may be necessary.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 1508) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to express the intent of the Congress with reference to the regulation of the business of insurance," approved March 9, 1945, is amended by striking out the words "January 1, 1948," wherever they appear in such act, and inserting in lieu thereof the following: "June 30, 1948."

NORMAN ABBOTT

The bill (H. R. 770) for the relief of Norman Abbott was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF ABRAM BANTA BOGERT

The bill (H. R. 837) for the relief of the estate of Abram Banta Bogert was considered, ordered to a third reading, read the third time, and passed.

A. J. DAVIS AND OTHERS

The bill (H. R. 1851) for the relief of A. J. Davis, Mrs. Lorene Griffin, Earle Griffin, and Harry Musgrove was considered, ordered to a third reading, read the third time, and passed.

FRANK J. SHAUGHNESSY

The bill (S. 1043) for the relief of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the internal-revenue account of Frank J. Shaughnessy, collector of internal revenue, Syracuse, N. Y., with the amount of $468, representing certain moneys received by and in the custody of John V. Franey, deputy collector of internal revenue, Binghamton, N. Y., as internal-revenue collections, and which were stolen by an unknown person in a hold-up of the branch office of the collector located at Binghamton, and which were not turned over to the said Frank J. Shaughnessy, collector of internal revenue, for deposit.

NORMAN THORESON

The Senate proceeded to consider the bill (H. R. 1658) for the relief of Norman Thoreson, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, in line 5, after the name "Thoreson", to insert "and Thoreson Brothers, a partnership."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act for relief of Norman Thoreson and Thoreson Brothers, a partnership."

ROBERT HINTON

The Senate proceeded to consider the bill (H. R. 1954) for the relief of Robert Hinton, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the words "sum of", to strike out "$2,000" and insert "$1,500."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (S. 1486) to provide for payment of salaries covering periods of separation from the Government service in the case of persons improperly removed from such service was announced as next in order.

Mr. TAFT. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN C. GARRETT

The bill (H. R. 1513) for the relief of John C. Garrett was considered, ordered to a third reading, read the third time, and passed.

NEW JERSEY, INDIANA & ILLINOIS RAILROAD

The bill (H. R. 2302) for the relief of the New Jersey, Indiana & Illinois Railroad was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 697) to provide for payment of overtime compensation to supervisory employees in the field service of the Post Office Department was announced as next in order.

Mr. CORDON. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1394) to provide increased subsistence allowance to veterans pursuing certain courses under the Servicemen's Readjustment Act of 1944, as amended, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I ask that the objections be withheld until I have

an opportunity to make a brief explanation of the bill.

I wish to say that I think this is one of the most deserving pieces of legislation on the calendar. This first veterans' bill provides increases in subsistence allowance for veterans going to school, as follows: From $65 to $75, a $10 increase, for single veterans; from $90 to $105 for married veterans; and if the veteran has one child or more, the bill provides an increase to $120.

I wish to say to the Members of the Senate that a subcommittee of the Committee on Labor and Public Welfare held hearings, which have been printed. An exceedingly conscientious job has been done on this piece of legislation. In fact, if we consider the multitude of bills which have been introduced at this session of Congress and if we compare all the other bills with this bill and the two bills which follow on the calendar, Senators will get some idea of the work we have done in trying to bring about a general agreement on the part of the members of the committee in regard to this legislation.

This particular bill, Senate bill 1394, was reported by our committee with, I think, only two dissenting votes.

Mr. President, if we in Congress are going to do anything at all by way of making any changes in subsistence for the veterans who are attending school, I say we cannot do less than what this bill provides. I think that is the fundamental issue in regard to this piece of legislation.

If we are not going to do anything, then I think we have to fly in the face of a record the overwhelming evidence of which shows that we should do at least this much, because the record is rather clear that there are a great many veterans who are finding it necessary to drop out of school because they cannot make a go of it on the present allowances. From the record it will be found that, in round numbers, so to speak, we have increased the allowances only by an amount sufficient to take care of the changes which have occurred in the cost of living since the last allowance was made.

I think it would be most unfortunate for us to end this session on July 26 with bills such as this one dying on the calendar. I make a plea this afternoon, and I shall plead it and plead it and plead it from now until the time of adjournment, and in that connection I shall seek to take advantage of whatever rights are available to me under the rules to bring this legislation to a vote; I plead this afternoon that we do justice to these veterans, and that all Members of the Senate take time to read this record and come to a conclusion as to whether they wish to do anything at all on this subject.

Mr. President, I say that is the issue. Senators either wish to do something of the sort provided by this legislation, or they wish to do nothing. If they wish to do something of this sort, what this bill provides is the least they can do. I believe it will be found from the record that every dollar of increase that we award under legislation of this type will be returned to the economy of our country many times over.

I do not know of any greater service that we can perform for our veterans than to encourage them to get an education under the GI bill.

I close by stating that under this bill we shall not be changing the basic intent and performance of the educational provisions of the GI bill. It never was the intention of Congress to defray the total costs of their education, but the congressional intent was to give the veterans substantial aid and assistance in their efforts to secure an education. We shall be doing that under this bill. Under it we shall not be paying all their costs; we shall fall far short of that.

But I say that in round numbers we shall be taking care of the increase in the cost of living, particularly that in the case of food and shelter, which has occurred since the last allowance was made by the Congress.

I can understand how some of my colleagues may wish to take time to consider this matter a little longer, but I hope the Senate will not, when adjourning on July 26, have followed the tactics of letting legislation of this sort die on the calendar.

Mr. THYE. Mr. President, I ask that the bill be passed over.

Mr. PEPPER. Mr. President, I wish to make a brief statement at this time, so that the RECORD will not show that the statement made by the able Senator from Oregon [Mr. MORSE] was uncontested. I refer to his statement that the GI bill was passed with the idea that Congress was not giving adequate assistance even in a modest sum to the GI's who attend school, but that in passing that bill and in giving the veterans only partial assistance Congress intended that of necessity the veteran would have to use some of his own savings or would have to obtain help from his family or from someone else, or that either he or his family would have to obtain employment while he was receiving an education.

I wish to say that I have been on the committee, and I voted for the bill, but I never had that concept. I think it is obvious that most Senators did not have that concept because only a limited number of jobs are available to students, either in colleges or universities or in the college or university towns.

As the Senator from Oregon knows, I thoroughly respect everything he says, but I did not want the statement he made to go unchallenged as a statement of congressional intent. Although we made only modest provisions—and, of course, we did not want the veterans to live in luxury—yet I did not want the RECORD to show that there was no challenge to the statement that we did not intend to provide modest sustenance under that act.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. MORSE. I simply want to say that the statement made by the Senator from Florida should give the entire Senate some little idea of the problem I have had as chairman of the subcommittee in bringing in something, with the differences of opinion on legislation, on which at least we had agreed. I hope that other Members of the Senate will take cognizance of that fact, and the next time this bill is called may give to it the support which I think we deserve for the very long, hard, and conscientious work we have done in endeavoring, for the Senate itself, to work out a fair solution of veterans' legislation.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. Objection to immediate consideration has been raised. The bill will go over.

The bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a) as amended, was announced as next in order.

SEVERAL SENATORS. Over.

Mr. MORSE. Mr. President, I do not ask to have the objections withheld. I simply want to repeat what I have already said in regard to S. 1394. The Senate bill 1393 raises again for the Senate the question whether we are going to adjourn on July 25 without doing anything on veterans' legislation. I shall be very glad if we can get this up on the regular order for full debate. At a later time I should be very glad to go into the evidence in full as to why I think Senate bill 1393 should be passed.

The PRESIDENT pro tempore. On objection, the bill will go over.

The bill (S. 1391), a bill to authorize payments by the Administrator of Veterans' Affairs in the purchase of automobiles or other conveyances by certain disabled veterans, and for other purposes was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDENT pro tempore. The bill will be passed over.

WORLD HEALTH ORGANIZATION

The joint resolution (S. J. Res. 98) providing for membership and participation by the United States in the World Health Organization and authorizing an appropriation therefor, was announced as next in order.

Mr. VANDENBERG. Mr. President, I wish to make a very brief statement regarding this joint resolution. This is the action under which the United States joins the World Health Organization, which is one of the specialized agencies of the United Nations. The World Health Organization is a successor to the international bodies in the health field, which operated so successfully under the old League of Nations, and which no longer have a parent, except as the new foster parent takes over. The World Health Organization as a result, becomes the successor to the previous international agencies. Whatever one feels about international cooperation, there certainly can be no argument about the fact that disease and epidemic decline to recognize any boundary lines whatever; and if there is one area of action in which cooperation of this nature is indispensable, we have it here.

I desire to add briefly that the legislation has the complete endorsement of the American Medical Association; and in the area of drugs, and so forth, it has the complete approval of the American

Pharmaceutical Association; so that I think there is no argument or difficulty in any of those directions.

We found that the constitution of the World Health Organization permits amendment of the constitution by two-thirds of the membership, regardless of where the votes may come from. In other words, we could have confronted an obligation under the charter of the World Health Organization, which could have been changed without our consent under the terms of the constitution. Therefore, the committee has added an amendment which is a 90-day escape clause, and permits us to retire from the World Health Organization on 90 days' notice, whenever it is considered to be in the national interest.

Mr. TAFT. Is there available a copy of the constitution of the World Health Organization, to which we are subscribing?

Mr. VANDENBERG. There is a printed committee report and a printed copy of the constitution, but apparently it has not been delivered. I am sorry about that.

Mr. TAFT. Can the Senator tell us what it is to which we subscribe? Do we accept any principles, or is there anything like that involved in the constitution?

Mr. VANDENBERG. The World Health Organization, under its constitution, has no authority except to recommend, and each member of the organization is free to accept or reject the recommendations. I should say that the only firm obligation involved is to pay our annual share of the expenditure, as is the case in all such international cooperation.

Mr. KEM. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KEM. Will the Senator advise the Senate as to the annual cost, and the extent of the financial obligation?

Mr. VANDENBERG. The total budget of the World Health Organization this year, tentatively, is around $4,000,000. Our share of the expenditure is something like $2,000,000.

Mr. KEM. Do we become obligated for a proportionate share of whatever budget is adopted by the World Health Organization?

Mr. VANDENBERG. We become obligated for whatever is allocated as a result of the organization in which we participate. At any time that proves unsatisfactory, or that any other phase of the adventure proves unsatisfactory, we have our 90-day escape clause, which the Senator from Michigan himself proposed, because he wanted to make perfectly sure that he could tell his colleagues that at least they are only in 90 days' jeopardy under the proposal which is presented.

Mr. KEM. I appreciate the foresight of the Senator from Michigan.

Mr. DONNELL. Mr. President, in view of the statement by the Senator from Michigan, I regret exceedingly that I feel it my obligation to object to consideration of this matter. It seems to me that it is decidedly unwise for the Senate of the United States to authorize membership and participation by the United States in any organization, without the Senate at least having the opportunity to see the constitution of the organization. I therefore respectfully object.

Mr. VANDENBERG. I think there is some justification in that attitude. I tried to have a copy available to the Senator yesterday. It is available to him now, and if he will familiarize himself with it at his earliest convenience, I have such complete confidence in the high degree of wisdom which he always personifies that I know this is the last time we shall collide upon this subject.

The PRESIDING OFFICER. Objection has been raised. The bill will go over.

PURCHASE OF AUTOMOBILES BY DISABLED VETERANS

Mr. MORSE. Mr. President, at the suggestion of the senior Senator from Missouri [Mr. DONNELL], I wish to make for the RECORD a brief statement regarding Calendar No. 432, Senate bill 1391, to the consideration of which objection was made. I point out that the bill deals with the supplying of automobiles for economic rehabilitation and psychological rehabilitation to those disabled veterans who have, as the result of a war disability, lost one leg, or the use of one leg, or more; one arm, or the use of one arm, or more; or have lost their sight. Here, again, Senators are dealing with a record from which it cannot be denied as a fact, once the record is read, that the offering of automobiles to veterans will be of great aid to them in rebuilding them and reestablishing them in civilian life, both economically and psychologically. It will be found also that the testimony is uniform in support of the proposition that this type of advantage to veterans is probably the very best assistance that we could possibly give to them in making the tremendous adjustment that it is necessary for them to make, as they return to civilian life. If Senators could meet them, if they could work with them, if they could talk to them, as those of us in the subcommittee have done; if Senators could study their records and the importance of these automobiles to them, I am sure they would not sit here and deny this very small request to a group of men who have given so much to the welfare and the protection and the security of this Nation. I am not making a plea on the basis of sentiment alone, although I could make it on the basis of sentiment alone and justify it entirely, Mr. President, on the basis of our moral obligation to these men. But these automobiles, as the record shows, will be of great assistance to them in making their economic readjustment to civilian life.

The total cost of the bill, compared with the millions upon millions of dollars we spent for other purposes not nearly so important as this, is $9,900,000; and I think that is little enough—little enough for us to give to these veterans in an attempt to give them a lift out of the suffering and the discouragement they are now enduring, in view of the great sacrifice they have made for us.

I certainly hope it is not going to be necessary for me to plead again for the passage of this bill. I think it ought to be obvious to all that it is a bill which should go through the Senate, in view of the work the committee has done, without any question at all. If my recollection is correct—and my colleagues can inform me, if I am wrong—I think the bill went through our full committee of 13 members with not more than two votes against it; indeed, I believe with only one vote against it. My recollection is, Mr. President, there was only one vote against it.

I know we are rushed here at the end of the session, and I know many of us do not have time, individually, to make the detailed study of such a record as we have on these bills. I am not speaking for myself, I am speaking for a committee, the overwhelming majority of which have come to the same conclusion on these three pieces of legislation and I think, in the closing days of the session, we ought to place confidence in our committees, and when the record shows that they have done a hard, conscientious, loyal piece of work for all the rest of us, Senators ought to place their trust in us, they ought to give us the support we need in the passage of the three pieces of veterans' legislation I am offering.

BILL PASSED OVER

The PRESIDENT pro tempore. The clerk will state the final bill on the calendar.

The bill (H. R. 3309) to amend the Organic Act of Puerto Rico was announced as next in order.

Mr. WHERRY. Over.

The PRESIDENT pro tempore. The bill will be passed over. That completes the calendar.

INTERSTATE WATER RIGHTS IN COLORADO RIVER SYSTEM

Mr. HAYDEN. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Is it in order at this time to raise the question of the reference of a joint resolution?

The PRESIDENT pro tempore. The Chair thinks it is.

Mr. HAYDEN. I direct the attention of the Chair to a joint resolution introduced today by the Senators from Nevada [Mr. MCCARRAN and Mr. MALONE], and by the Senators from California [Mr. DOWNEY and Mr. KNOWLAND], directing the Attorney General of the United States to commence suit in the Supreme Court of the United States against the States of Arizona, California, Nevada, New Mexico, and Utah, to determine their claims and rights to the use of waters of the Colorado River system available for use in the lower Colorado River Basin.

It is my contention, Mr. President, that the joint resolution should be referred to the Committee on Public Lands and not to the Committee on the Judiciary, as requested by those who proposed it, for

the reason that the Committee on Public Lands——

The PRESIDENT pro tempore. The Chair wishes to say to the Senator from Arizona that under the terms of the La Follette Act, when a question of jurisdiction is raised it must be settled without debate. Therefore, it occurs to the Chair that the Senator had better permit the Chair to rule upon the point of order as to the reference of the joint resolution, and then the Senator can appeal from that decision, and the appeal will be debatable.

Mr. TAFT. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. TAFT. Under the unanimous-consent agreement, what will be the next business to be taken up by the Senate?

The PRESIDENT pro tempore. The Chair would say that, under the unanimous-consent agreement, the next business to be taken up will be the unification bill, to be taken up on Monday.

Mr. TAFT. It is not the order of business at the moment, then?

The PRESIDENT pro tempore. No; the Chair does not think it is. In any event, the Chair thinks that a point of order with respect to reference is always in order.

Mr. McFARLAND. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Would it be in order to ask unanimous consent that we be granted permission to give the Chair the benefit of our views upon the subject before the Chair rules?

The PRESIDENT pro tempore. In the opinion of the Chair, there is almost nothing the Senate cannot do by unanimous consent. The Chair thinks the Senate can give the unanimous consent suggested by the junior Senator from Arizona.

Mr. McFARLAND. Then, Mr. President, I make that request.

Mr. McCARRAN. I object.

The PRESIDENT pro tempore. The junior Senator from Arizona has made the request, and there is objection.

The Chair will rule. The joint resolution introduced by the Senator from Nevada [Mr. McCARRAN] for himself, the Senator from California [Mr. DOWNEY], the Senator from California [Mr. KNOWLAND], and the Senator from Nevada [Mr. MALONE] is a joint resolution the title of which is as follows:

To authorize commencement of an action by the United States to determine interstate water rights in the Colorado River.

This is one of those situations in which the color of argument very easily can be made for reference either to the Senate Committee on the Judiciary or to the Senate Committee on Public Lands. The question, therefore, becomes one of where the preponderance of interest would seem to lie.

The Committee on Public Lands unquestionably has jurisdiction over interstate compacts relating to the apportionment of waters for irrigation purposes. It unquestionably has jurisdiction over irrigation and reclamation, including water supplies for reclamation projects and assessments for irrigation purposes. Therefore if the joint resolution dealt with the inherent problem of water rights in this area, certainly an excellent argument could be made for the reference of the joint resolution to the Committee on Public Lands.

But when the Chair turns to the definition in the Reorganization Act of the jurisdiction of the Committee on the Judiciary, he finds, among other things, that the Committee on the Judiciary has jurisdiction over interstate compacts generally. So there is jurisdiction over interstate compacts even in the Committee on the Judiciary. But fundamentally and primarily the Committee on the Judiciary has jurisdiction over judicial proceedings, civil and criminal generally. The Committee on the Judiciary certainly is the opposite number of the Department of Justice, which is the institution involved in the instructions contained in the prospective legislation. Therefore it is the opinion of the Chair that the preponderance of reason recommends that the joint resolution be referred to the Senate Committee on the Judiciary.

The ruling is open to an appeal, and the Chair certainly will take no offense if an appeal is made, since this is one of those things which ought to be fully liquidated and ventilated, because we are making precedents all the time in the present Congress in respect to a brand new chapter in the parliamentary life of the Senate.

Mr. HAYDEN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. Would the appeal have to be determined immediately, or could the appeal be filed, and be argued on another day? It is now 6:20 o'clock.

The PRESIDENT pro tempore. In the opinion of the Chair, the appeal could be filed and postponed. I think it would take unanimous consent to postpone the appeal.

Mr. HAYDEN. Under those circumstances I would respectfully appeal from the decision of the Chair, and I ask unanimous consent that the matter be discussed on another day.

Mr. KNOWLAND. Mr. President, reserving the right to object——

The PRESIDENT pro tempore. Let the Chair state the present situation. The senior Senator from Arizona appeals from the decision of the Chair. Therefore the question is, Shall the decision of the Chair stand as the judgment of the Senate? Upon that question the Senator from Arizona asks unanimous consent that action be postponed until a later day.

Mr. RUSSELL. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. RUSSELL. Even though objections were interposed to the unanimous-consent request of the senior Senator from Arizona, a motion to recess would still be in order, would it not, which would carry the matter over?

Mr. WHERRY. Mr. President, a motion to recess would not displace the matter agreed by unanimous consent to be taken up on Monday.

The PRESIDENT pro tempore. A motion to recess is in order at any time.

Mr. KNOWLAND. Mr. President, reserving the right to object, I wish merely to state at this time that although the hour is late, the authors of the joint resolution are impressed with the importance of getting the matter to the committee so that hearings can be held and the joint resolution favorably considered by the Committee on the Judiciary so that it can be reported to the floor of the Senate before final adjournment. Therefore, we feel it is necessary that we proceed forthwith so that the matter will be before the proper committee. For that reason I must enter objection to the request made by the senior Senator from Arizona.

Mr. HATCH. Mr. President, will the Senator withhold his objection a moment? I doubt very much whether any time will be saved by objecting now. There are many parliamentary tactics which can be interposed and resorted to if necessary. The Senator from Arizona has made a very fair statement and request. We think it is unfortunate that the joint resolution should go to the Committee on the Judiciary instead of the Committee on Public Lands. We would like to have some opportunity to present our views at a time other than 22 minutes after 6 o'clock in the afternoon. I am quite sure the junior Senator from California and the senior Senator from Nevada would not object to that procedure. That is all we ask. If we are compelled to resort to other tactics, they can be resorted to. I merely hope the Senator from California will not force us to adopt any such tactics.

Mr. KNOWLAND. Mr. President, I will merely say to my distinguished colleague from New Mexico that it so happens that my colleague from California, who can speak for himself, must of necessity be out of Washington next week. That will mean that one of the authors of the joint resolution, who is present this evening, will not be present to advocate it. I think as a matter of courtesy in that regard we have every reasonable right to ask that the argument be presented here this evening, and that whatever decision the Senate might care to take be taken while my colleague is in the city.

Mr. HATCH. Will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. HATCH. I shall be perfectly willing to have the senior Senator from California [Mr. DOWNEY] make his statement this afternoon. I for one would be glad to remain. I am sure the entire Senate would like to hear the Senator from California. But in order that Senators may have the opportunity to hear him, I should feel compelled to suggest the absence of a quorum.

The PRESIDENT pro tempore. The question before the Senate is whether there is objection to the request made by the senior Senator from Arizona.

Mr. McCARRAN. I object, Mr. President.

Mr. McFARLAND. A parilamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McFARLAND. Could the appeal from the Chair be made on Monday or on a later date?

The PRESIDENT pro tempore. The parliamentarian advises the Chair that the appeal must be taken before other business intervenes.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. Is an appeal from the ruling of the Chair debatable?

The PRESIDENT pro tempore. An appeal from the decision of the Chair is debatable.

Mr. LUCAS. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. LUCAS. When did the joint resolution come to the Senate?

The PRESIDENT pro tempore. The joint resolution was introduced by unanimous consent this afternoon, and was held at the desk at the request of the senior Senator from Arizona on the matter of reference.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HATCH. I understand that the Senator from Arizona [Mr. HAYDEN] has already lodged an appeal.

The PRESIDENT pro tempore. The Senator from Arizona has lodged an appeal.

Mr. HATCH. And that appeal is now the pending question.

The PRESIDENT pro tempore. That is the pending question.

Mr. HATCH. Mr. President, I am compelled to suggest the absence of a quorum.

Mr. McFARLAND. Mr. President, if the Senator will withhold his request, I should like to state that this is a most important question——

Mr. HATCH. I withhold the suggestion of the absence of a quorum.

Mr. McCARRAN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McCARRAN. Has the Senator from New Mexico withdrawn his suggestion of the absence of a quorum?

The PRESIDENT pro tempore. As the Chair understands, the Senator from New Mexico has withheld his suggestion for the moment.

Mr. McCARRAN. I did not hear him.

Mr. HATCH. I withheld it out of courtesy to the Senator from Arizona.

Mr. McFARLAND. Mr. President, I suggest to the Senate that this is a most important question so far as the State of Arizona is concerned. It is a question which we would like to debate at some length. It cannot be settled here this evening. It is now 25 minutes past 6. I feel that it is unfair to ask us to debate the question when we have just concluded hearings before the Public Lands Committee on another bill which involves the same question. We shall need to read some of that record, which has not even been typewritten. The last statement was by the distinguished Senator from Nevada [Mr. McCARRAN], who asked that the legislation be held up until suit could be filed and disposed of. We want to debate that question at length. We want the Senate to know what this controversy is all about.

Mr. McCARRAN. Mr. President, will the Senator yield for a question?

Mr. McFARLAND. I yield.

Mr. McCARRAN. The Senator was formerly a member of the Committee on the Judiciary of the Senate.

Mr. McFARLAND. That is true.

Mr. McCARRAN. And the Senator from New Mexico [Mr. HATCH] was also formerly a member of the Committee on the Judiciary.

Mr. HATCH. I was.

Mr. McCARRAN. Has either of those Senators any doubt as to the fairness, justice, or ability of the Senate Judiciary Committee to decide this question?

Mr. McFARLAND. That is not the question.

Mr. HATCH. Mr. President, may I answer the Senator from Nevada?

Mr. McFARLAND. Certainly.

Mr. HATCH. I have no doubt of the fairness, justice, and ability of the Senate Committee on the Judiciary; but I do have grave doubt as to the ruling of the Chair as to which committee should handle this matter. That is the question we wish to discuss. There is involved no question of fairness, justice, or ability. I have the utmost respect for the Senate Committee on the Judiciary.

Mr. McCARRAN. One further question. Is not this a question of judicial proceeding?

Mr. HATCH. Mr. President, we are already arguing the appeal. I say no.

Mr. McCARRAN. Is not this a question involving interstate compacts?

Mr. HATCH. No; not now. The development of the projects is the question; and the Senator himself states it as his theme in the opening sentence of his resolution. The development of water projects properly belongs to the Committee on Public Lands.

The PRESIDENT pro tempore. Let the Chair see if we can get back to the procedure. The pending question is the appeal from the decision of the Chair by the senior Senator from Arizona [Mr. HAYDEN].

Mr. HATCH. Mr. President, much as I dislike to do so——

Mr. TAFT. Mr. President——

Mr. HAYDEN. I yield to the Senator from Ohio.

Mr. WHERRY rose.

Mr. TAFT. Mr. President, I think the Senator from Nebraska has a request to make.

Mr. WHERRY. Mr. President, I ask unanimous consent that when the Senate concludes its business tonight, if it meets with the pleasure of the Senate, it adjourn until Monday next at 12 o'clock meridian. I make that request at this time so that the order may be entered.

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent that at the conclusion of the business of the Senate this afternoon, the Senate adjourn until Monday next at 12 o'clock. Is there objection to the request?

Mr. HAYDEN. A parliamentary inquiry.

Mr. HATCH. Mr. President, I wish to propound a parliamentary inquiry, and so does the Senator from Arizona.

The PRESIDENT pro tempore. The Senator from Arizona [Mr. HAYDEN] has the floor.

Mr. HAYDEN. I wish to propound a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HAYDEN. What would be the effect of the adjournment, if we were to adjourn now? Would the appeal be the pending business when we meet on Monday?

The PRESIDENT pro tempore. It would not, under the unanimous-consent agreement, which makes the unification bill the business on Monday when the Senate convenes.

Let the Chair make a statement which may clear up several inquiries. In the opinion of the Chair, under the unanimous-consent agreement, after the Senate concludes its business tonight there will be no time until after the vote is taken on Tuesday on the Dooley nomination, when any further attention can be given to the appeal.

Mr. HAYDEN. Can the appeal be pending at that time?

The PRESIDENT pro tempore. In the opinion of the Chair, it can.

Mr. HAYDEN. If it can, I am entirely satisfied.

Mr. McCARRAN. I object, Mr. President.

The PRESIDENT pro tempore. The question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. HATCH. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WHERRY. A parliamentary inquiry——

The PRESIDENT pro tempore. The Senator from New Mexico will state his parliamentary inquiry.

Mr. HATCH. Was the unanimous-consent request propounded by the Senator from Nebraska [Mr. WHERRY] agreed to?

The PRESIDENT pro tempore. The Senator from Nevada [Mr. McCARRAN] objected. It was not agreed to.

Mr. BARKLEY. Mr. President, I did not understand the Senator from Nevada to object to an adjournment until Monday.

Mr. McCARRAN. I did. I objected to the suggestion of the Senator from Nebraska on the basis of the explanation made by the Chair.

The PRESIDENT pro tempore. There is no doubt that the Senator from Nevada objected.

Mr. HATCH. Mr. President, I do not wish to force a session tomorrow, but I have no recourse except to suggest the absence of a quorum, which I do.

The PRESIDENT pro tempore. The Senator from New Mexico suggests the absence of a quorum. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

During the calling of the roll,

Mr. HATCH. Mr. President, I ask unanimous consent to withdraw the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The roll call will be suspended.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the appeal from the decision of the Chair be considered pending, and that it be brought up for consideration of the Senate after the disposal of the Dooley nomination; that not more than 2 hours be consumed in discussing the matter, one-half to be controlled by the Senator from Nevada [Mr. McCARRAN] and one-half by me.

The PRESIDENT pro tempore. Is there objection?

Mr. McCARRAN. Mr. President, reserving the right to object, does the Senator mean it is to be brought up immediately after the Dooley matter?

Mr. HAYDEN. Yes.

The PRESIDENT pro tempore. Is there objection?

Mr. GURNEY. Mr. President, reserving the right to object, it is my understanding, then, that it is considered, in connection with the unanimous-consent request now pending, that the unification bill will be the order of business on Monday.

The PRESIDENT pro tempore. The Senator is correct.

Is there objection to the request of the Senator from Arizona? The Chair hears none, and it is so ordered.

ADJOURNMENT TO MONDAY

Mr. WHERRY. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until Monday next at noon.

The motion was agreed to; and (at 6 o'clock and 40 minutes p. m.) the Senate adjourned until Monday, July 7, 1947, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received July 3 (legislative day of April 21), 1947:

JUDGE, FIFTH CIRCUIT, CIRCUIT COURTS, TERRITORY OF HAWAII

Hon. Philip L. Rice, of Hawaii, to be judge of the Fifth Circuit, Circuit Courts, Territory of Hawaii. (Judge Rice is now serving in this post under an appointment which expired April 22, 1947.)

UNITED STATES ATTORNEY

Ward Hudgins, of Tennessee, to be United States attorney for the middle district of Tennessee, vice Horace Frierson, whose term will expire July 7, 1947.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 3, 1947

The House met at 12 o'clock noon.

The Reverend Bernard Braskamp, D. D., pastor of the Gunton-Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who wert the God of our fathers, we thank Thee for all the great days in our national history, and especially for that day of solemn and sacred memory which we call Independence Day.

We pray that our minds and hearts may continue to enlarge with pride and praise for our beloved country, conceived in sacrifice, dedicated to Thy glory, and consecrated to the service of mankind.

Grant that the lofty ideals of democracy, of freedom and friendship, of justice and righteousness, may ever be the foundation upon which we are seeking to build a glorious Nation and a better world.

Inspire us with a passion to lead struggling humanity out of the darkness of night into the radiant light of a new day that will be more blessed than our fondest hopes.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Miller, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3333. An act to authorize the transfer of the *Joseph Conrad* to the Marine Historical Association of Mystic, Conn., for museum and youth-training purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4031) entitled "An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes."

INCOME-TAX REDUCTION

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a majority report, and if the minority should decide to file a minority report that it also have until midnight to file, on H. R. 3950, which is a bill to reduce taxes.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

FOREIGN ECONOMIC POLICY—PRELIMINARY REPORT

Mr. VORYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Speaker, a copy of a preliminary report of the Subcommittee on Economic Policy of the Committee on Foreign Affairs is being sent to each Member of the House. We urge you to read it.

The Committee on Foreign Affairs has brought to the floor in this session a series of bills in response to Presidential messages which had to be considered in an atmosphere of emergency. The relief bill, the Greek-Turkish bill, and the IRO bill had to be considered after public commitments had been made by the Executive and when dead lines for action lay ahead.

Long before the Marshall plan was announced, the committee realized the critical situation that existed in Europe and the necessity of our studying the situation in our own interest, so that the committee would have its own independent sources of information about matters which required legislation before such legislation was requested or introduced.

The task of the Economic Subcommittee was obviously to determine, as far as possible, the needs for world recovery, particularly in Europe, and the ability of the United States to help meet these needs on a basis satisfactory to the United States. The subcommittee decided that the way to start was to survey and analyze existing studies so as to avoid duplication. This preliminary report deals with European needs, rather than with our ability to fulfill these needs, because this is the state of available existing studies in this country.

We have had the cooperation of the Department of State, the Department of Commerce, the Tariff Commission, the Export-Import Bank, the Treasury Department, the Food and Agriculture Organization and other sections of the United Nations, the International Bank, the National Planning Association, the Council of Foreign Relations, the Federal Reserve Board. They have made their existing studies available to us, and their staff members have been extremely prompt and helpful in this work. Special credit must be given to the staff of the Legislative Reference Service of the Library of Congress in collating this data. While we appreciate greatly the help that has been given us, the conclusions and interpretations are the result of the independent judgment of the subcommittee and its staff.

This report analyzes present studies of the needs, limits, and sources of American aid to foreign countries; supplementary sources from self-help and other countries. The apparent dollar deficit in Europe for 3 years, 1947–49, is shown at about $9,970,000,000. The report shows that this is preliminary and subject to many uncertain factors, but this is a more careful and certainly a more encouraging estimate than such current stratospheric guesses as ten billion a year for 5 years. The report also points out that the problem is not resolvable into a mere statement of dollar deficits, even though such an estimate is important, but depends upon meeting shortages in critical commodities, and that this involves many questions of policy other than financial.

This report is preliminary and outlines possible future reports. The keynote of the attitude of our subcommittee in studying this question, however, may be

found in these words on the first page of the report:

The subcommittee believes that world recovery not only can be, but must be, sound business for the United States.

We propose to continue these studies as outlined in our preliminary report, in cooperation with the executive departments and making such independent studies as are necessary. We hope the full committee will authorize the publication of such of these studies as are appropriate in order that Congress and the public may be kept informed. Since any legislation which is necessary in this field must originate in the House, and receive consideration from our committee, we feel that it is important that the continuous study provided in the Reorganization Act be given by this committee to this subject, so that any necessary legislation may evolve through cooperation between the Executive and the Congress, instead of being first submitted to Congress by a Presidential message.

The gist of the Marshall plan is that Europe should make its own study of its needs. The Paris Conference for this purpose is ending in an atmosphere of failure, so far as Russian participation is concerned, but of success in agreement between Britain and France to state what they and the rest of western Europe can do to help themselves. We do not believe this is the end of our efforts to help Europe. We do not believe that we should rely entirely upon the estimates of European nations, separately or collectively, as to their own needs. We, therefore, believe this preliminary report will be helpful at this time.

EXTENSION OF REMARKS

Mr. JAVITS asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. TWYMAN asked and was given permission to extend his remarks in the RECORD.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post.

STILL ONE WORLD

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, the departure of Foreign Minister Molotov from the three-power European Reconstruction Conference and today's release of the preliminary report of the Economic Policy Subcommittee of the House Committee on Foreign Affairs, which the gentleman from Ohio [Mr. VORYS] has just spoken of, may well open a new era in our foreign relations. Mr. Molotov's departure from Paris will not—probably to the amazement of the Soviets—create two worlds. We did not object to the Soviets being in on European reconstruction, and we are not going to be scared or bluffed by their getting out—nor will the rest of Europe. The Soviet withdrawal will not create two worlds, Mr. Speaker. It is still only one world from which Russia is temporarily withdrawing because it cannot have its own way and is too much a slave to its own doctrines to adapt them to the crying needs of peoples everywhere. By its report the Economic Policy Subcommittee is beginning to show that the world is economically interdependent and that aid to the world's reconstruction is not a matter of our being "bled white" like a bank with a run on it, but that those we help with our great economic resources can help us and themselves too—that there are lots of resources in the world in men and materials that we want and do not have, and that the world can come pretty close to being able to pull itself out with its own resources if better organized and given some timely support by us.

REJECTION OF MARSHALL PLAN BY MOLOTOV

Mr. MERROW. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. MERROW. Mr. Speaker, the Russians have wrecked another international conference. Molotov has rejected participation in the Marshall plan. Russia wants a divided, disorganized and a prostrate Europe. The Paris Conference has made clear the objectives of the Kremlin. Boldly, bluntly, and badly, the Soviet Union has informed the world by actions and by statements that she desires a distressed and divided Europe. Obviously this is for the purpose of spreading communism and of continuing the program of relentless Soviet expansion with the ultimate purpose of dominating the world.

The policy which the United States should follow is clear cut. We must encourage western Europe to act on the Marshall proposition even though the Soviet Union will have nothing to do with it. An economically strong European Continent will help guarantee the security of the United States. Twice during the past 30 years our Republic has engaged in war to prevent the march of aggression. We will not stand idly by now while another tyranny bent on control of the world reaches out to grasp and to subjugate every country in its path.

We have the resources and the power and the will to call the bluff of the communistic dictatorship in Russia. By extending assistance to keep western Europe independent, free, and economically strong, we will be making an investment in world stability. I am convinced that financial aid to the war devastated countries will help us win the struggle to establish world peace. In the near future Congress will be called upon to make appropriations, to effect and to implement the Marshall plan. I shall vote for all the aid necessary to put the nations of Europe on their feet economically, to prevent them from being shackled by communism and to stop the naked and ruthless aggression of Mr. Stalin and his associates.

FEDERAL SAVINGS ASSOCIATION

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, the Supreme Court has nullified that protection to the savings investors of this Nation which has heretofore been believed to be guaranteed by the Constitution. In the opinion of the Supreme Court in the case of Mallonee against Fahey, the Court held in substance that a person investing his life's savings in a Federal savings association is estopped from invoking supposed constitutional guaranties to protect his savings against wanton seizure and expenditure by Government officials.

The seizure of $26,000,000 and the dissipation of tens of thousands of dollars of the people's savings by John H. Fahey as Federal Home Loan Bank Commissioner in the case of the Long Beach Federal Savings and Loan Association is a stark warning of the dangers to the savings of hundreds of thousands of people throughout the Nation. The destruction of the $43,000,000 Federal Home Loan Bank of Los Angeles by John H. Fahey in the exercise of his unbridled power, all without notice, warning, or hearings, illustrates undreamed of extension of authority by the executive department and throws responsibility upon the elected representatives of the people to recapture for the citizens of the United States a proper degree of protection and security for their property.

The United States Supreme Court decision seems to have stripped all constitutional restraints from the rule-making power of John H. Fahey as Federal Home Loan Bank Commissioner, and to have declared the Federal courts to be without power to invoke constitutional guaranties to protect the people's savings against seizure and dissipation by Government officials.

I strongly urge the Rules Committee give prompt consideration to House Resolution 208, introduced by the Honorable CECIL KING, to investigate the decisions of the United States Supreme Court and make recommendations which will restore to the people their protection and security as contemplated by the Constitution of the United States.

NO DIAPERS IN DE SOTO

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. STEVENSON. Mr. Speaker, last Thursday at 11:21 in the morning a little girl named Judy Kay Orman came into this world at De Soto, in Wisconsin. You know De Soto on the Mississippi River, named after the man who discovered the Father of Waters. Well, Judy Kay is a very modern little girl and has already learned to tell her Congressman when she is in trouble. So Judy Kay has just written me:

DEAR GREAT BIG GOVERNMENT MAN: I just came into this great big old world the other day—it sure is a big one, isn't it? Grandma says we try to pick out the best men we got and send them to Washington to help us solve our problems. Now, I got a problem, and I haven't been here very long. How come we can't find any pants? My grandma (and, by the way, "grandma" is Mrs. Lloyd Henderson, of De Soto) had a hard time finding diapers for me. She could find all kinds of upholstering materials, lots of cretonnes—fancy ones, at that—and oodles of other materials that no one will ever use, but no diaper materials. Now, Great Big Government Man, that is my problem.

And so I beseech everyone, manufacturers, retailers, and Government agencies, to get some baby pants out to De Soto, Wis., for little Judy Kay Orman and for all the other little babies out in Wisconsin.

AMENDMENT OF FEDERAL UNEMPLOYMENT TAX ACT

Mr. REED of New York. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. FORAND. Reserving the right to object, Mr. Speaker, and I shall not object, will the gentleman from New York explain the bill?

PURPOSES OF THE BILL

Mr. REED of New York. Mr. Speaker, the amendment proposed by the bill to section 1602 of the Federal Unemployment Tax Act—subchapter C of chapter 9 of the Internal Revenue Code—has these three purposes:

First. To give express statutory sanction to the administrative interpretation which has permitted voluntary contributions made by an employer to a State unemployment fund, under the provisions of the State law, to be used in the computation of reduced required contribution rates;

Second. To provide for a definite period within which voluntary contributions must be made in order to be qualified to effect reductions in required contribution rates for State contribution years beginning in 1948 or thereafter; and

Third. To provide that, in respect of State contribution years beginning in 1946 or 1947, such voluntary contributions may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year).

MERIT RATING

The Federal Unemployment Tax Act imposes a tax of 3 percent on wages paid by employers of eight or more. Against this tax the act allows, under conditions specified, certain credits, which may not exceed in the aggregate a maximum of 90 percent of the amount of the tax. The effect of these credits is to reduce the Federal tax to not less than 0.3 percent. The amounts so credited represent not only contributions actually paid by the employer into the State unemployment fund, under an approved State law, but also any excess thereover of the contributions he would have been required to pay into the fund had he been subject throughout the year to the highest rate applicable to any employer in the State, or to a rate of 2.7 percent, whichever was lower.

VOLUNTARY CONTRIBUTIONS

The unemployment compensation laws of almost all the States provide for merit rating; that is, for preferential rates of contribution required of employers, according to their employment experience. These laws, in the case of some 12 or 13 of the States, also make provision for voluntary contributions by employers, such contributions to be allowed as offsets against benefits charged to the employer's respective accounts. The effect of such offsets, of course, is to better the experience of the employers and to entitle them, therefore, to lower rates of contribution.

The Federal Unemployment Tax Act contains no provision specifically authorizing voluntary contributions of the character and effect described, but their use as an element in determining the factors bearing a direct relation to unemployment risk, within the meaning of section 1602 (a) (1) of the act, has been recognized administratively.

The amendment made by the bill would expressly permit the use of voluntary contributions in the computation of reduced rates of required contribution.

The Federal law also fails to prescribe the period within which a voluntary contribution, effective as an element in rate reduction, can be made. Your committee is advised that the Federal Security Agency has considered this question from time to time and that its position is that such contributions may be used for rate-determination purposes if they are paid before the first due date for required contributions for the new rate period. Thus, for example, if a State law prescribes that a contribution rate is applicable for a calendar year and the first due date for contributions for such calendar year is April 30, voluntary contributions paid on or before that date will be considered timely.

The amendment made by the bill provides, in effect, that voluntary contributions for rate years beginning in 1948 or thereafter will be effective if paid within 120 days after the beginning of the rate year.

The amendment made by the bill would also have the effect, with respect to rate years beginning in 1946 or 1947, of providing that voluntary contributions available for rate determination purposes may be made at any time prior to January 1, 1948 (or, if later, within 120 days after the beginning of the rate year). The need for such a provision has arisen from the action of the Federal Security Agency in withholding approval of an amendment made to the Minnesota unemployment compensation law in April of this year. That amendment would permit the use of voluntary contributions, paid on or before June 30, 1947, or within 60 days thereafter, in the determination of rates for the years 1946 and 1947. The contributions so available would not exceed the greater of $300 or 0.1 percent of the employer's annual pay roll. The amendment was designed to eliminate inequitable differences of rate resulting from the operation of the prior law under the extraordinarily favorable employment experience of the war and postwar periods. Approval was withheld on the ground that the period within which voluntary contributions could be made in respect of the years 1946 and 1947 was unreasonably long.

Your committee is unanimously of the opinion that this bill should be enacted without delay, in order that existing ambiguities relating to the effectiveness of voluntary contributions may be removed from the Federal Unemployment Tax Act. The Federal Security Agency is likewise of opinion that these ambiguities should be removed.

It is believed that all practicable precision in the statutory standards is desirable, from the standpoint of Federal and State agencies as well as of employers.

ANALYSIS OF THE BILL

Section 1 of the bill adds a new subsection, designated (d), to section 1602 of the Federal Unemployment Tax Act. Section 1602 prescribes the conditions under which the additional, or merit rating, credit under section 1601 (b) is allowed. Standards to which State laws must conform are set forth in section 1602 (a).

The new subsection provides that a State law may, without being deemed to violate those standards, permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid within 120 days after the beginning of the rate year, or prior to January 1, 1948, whichever is later.

Under section 2 of the bill, the amendment made by section 1 will be applicable only with respect to contribution rate years beginning after December 31, 1945.

Mr. FORAND. It is my understanding that this in no way affects the rate, whether it be the merit rate or the regular rate under which they operate at the present moment. It does not change the rates in any way.

Mr. REED of New York. Not at all.

Mr. FORAND. It simply permits these companies within a State to bring their records up to date?

Mr. REED of New York. That is right, by voluntary contribution.

Mr. FORAND. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1602 of the Federal Unemployment Tax Act (Internal Revenue Code, sec. 1602), as amended, is hereby amended by adding at the end thereof a new subsection to read as follows:

"(d) Voluntary contributions: A State law may, without being deemed to violate the standards set forth in subsection (a), permit voluntary contributions to be used in the computation of reduced rates if such contributions are paid prior to the expiration of 120 days after the beginning of the year for which such rates are effective, or prior to January 1, 1948, whichever date is the later."

SEC. 2. The amendment made by section 1 shall be applicable only with respect to taxable years beginning after December 31, 1945.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASING ALLOWANCES TO CERTAIN VETERANS

Mr. ROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROSS. Mr. Speaker, millions of veterans have been heartened by the news that this Congress intends meeting one of its obligations by passing legislation which will allow them to cash their terminal-leave bonds in September. As worthy as this act is, it does not by any means fulfill our obligations to the GI's.

There are pending before the Rules Committee two bills which this Congress should pass before we adjourn. One is H. R. 246, to raise the ceilings on wages and allowances payable to veterans undergoing training on the job; the other is H. R. 3888, to provide increased subsistence allowances to veterans who are taking institutional training. The House Committee on Veterans' Affairs, after weeks of hearings, reported these bills favorably.

H. R. 246 would raise the unfair and unjust ceiling on the amount which a GI is now permited to earn while working as a trainee and still receive his subsistence allowance. The present ceilings are not adequate; in fact, they serve to penalize the veteran by restricting his income. They serve to subsidize many employers who refuse increases to veterans because the veteran's net income would not be increased. The measure increasing subsistence allowances would liberalize the allowances for married veterans and married veterans with children. Although the measure does not carry any increase for single veterans, it may be amended when it reaches the floor of the House or in conference if it passes the other body.

The increased cost of living over the past year has been working an extreme hardship on veterans who are trying to complete their education on subsistence allowances which were established over a year ago. I urge that the Rules Committee allow these two measures to come before the House for I am certain both will pass unanimously.

ETERNAL VIGILANCE IS THE PRICE OF LIBERTY

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, tomorrow being the Fourth of July, it is an appropriate time to rededicate ourselves to the imperishable principles of the Declaration of Independence. Adherence to these principles, we all know, must be constant and not merely reserved for lipservice to the Declaration of Independence on the Fourth of July.

The admonition, "Eternal vigilance is the price of liberty," is constantly before us. If ever there was a time when this vigilance was necessary that time is today, when radicals of every stripe and shade rant up and down the land. And in viewing the plight of democracy around the world, we see it confronted by the preachers of false gods.

We take confidence and renewed courage when we meditate upon the principles of the Declaration of Independence and our republican form of government that was established in keeping with the postulates of the Declaration of Independence. We extoll again Thomas Jefferson for the prominent part he took in drafting the great declaration.

It is quite fitting that President Truman goes to Monticello, the revered home of Thomas Jefferson in the great State of Virginia. I see by the papers that Mr. Truman is going to deliver a patriotic address from the hallowed ground of Monticello.

I hope that Mr. Truman, in reviewing the works of Thomas Jefferson, will dwell upon the founding father's conception of a three-division government in which the legislative, executive, and judicial branches are given exclusive fields of jurisdiction, with a system of checks and balances.

One of these checks is the veto power of the President. Mr. Truman could recall to the country that the framers of the Constitution were reluctant to insert the veto power into the Constitution. Their minds were filled with indignation over the actions of kings in vetoing the will of the people as expressed through their legislators.

It was thought best to include the veto power as a guard against encroachment of the legislative branch upon the executive. It was never intended to be used as a minority lever to thwart the will of the people's representatives in Congress.

Mr. Truman might well ponder the fact that Thomas Jefferson as President of the United States never exercised the veto instrument. Not once did he resort to the veto to block the law-making branch.

Yet Mr. Truman saw fit to veto the so-called Taft-Hartley labor relations bill despite the overwhelming support for it in the Congress.

Yes, this is an appropriate time to meditate on the principles of our Government and that applies to all of us from the President down to the lowest-placed toiler in the humblest pursuit.

EXTENSION OF REMARKS

Mr. ANGELL asked and was given permission to extend his remarks in the RECORD and include two editorials from the Portland (Oreg.) Journal.

Mr. HORAN asked and was given permission to extend his remarks in the RECORD in two instances and include some editorials.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an address given at Miami, Fla., on June 18, 1947, by Col. Melvin Maas, president of the Marine Corps Reserve Officers' Association.

Mr. HARLESS of Arizona asked and was given permission to extend his remarks in the RECORD in two instances and to include newspaper articles.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD and include some editorial comment.

THE SUPREME COURT OF THE UNITED STATES

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS of Louisiana. Mr. Speaker, my distinguished colleague from California [Mr. BRADLEY] a few moments ago referred to the decision of the Supreme Court in the case of Fahey versus Mallonee, which decision I incorporated in the RECORD on Tuesday of this week. He called for an investigation of the Supreme Court of the United States as a result of that decision.

I invite you to read the Supreme Court decision in that case which was arrived at unanimously. You have heard much criticism of the Court because of the many dissenting opinions handed down by the Court, but here is a unanimous opinion which, and even though the gentleman advocates an investigation of the Court, the 26,000 shareholders in that corporation who have been protected are saying, "Thank God for the Supreme Court."

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD in two instances and include editorials.

Mr. MANSFIELD of Montana asked and was given permission to extend his remarks in the RECORD in two instances and include in each various editorials and newspaper articles.

SPECIAL ORDER GRANTED

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent that after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered, I may address the House for 10 minutes today.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—SALE OF FIREARMS IN THE DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk:

To the House of Representatives:

In compliance with the request contained in the resolution of the Senate (the House of Representatives concurring therein), I return herewith H. R. 493, an act to amend section 4 of the act entitled "An act to control the possession, sale, transfer, and use of pistols and other dangerous weapons in the District of Columbia," approved July 8, 1932 (sec. 22, 3204 D. C. Code, 1940 ed.).

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—TRUSTEESHIP AGREEMENT FOR PACIFIC ISLANDS (H. DOC. NO. 378)

The SPEAKER laid before the House the following message from the President of the United States, which was read by the Clerk, and, together with accompanying papers, referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

I wish to recommend to the Congress action enabling this Government to approve the Trusteeship Agreement for the Territory of the Pacific Islands which was approved unanimously by the Security Council of the United Nations on April 2, 1947. There is attached a letter from the Secretary of State enclosing a copy of the trusteeship agreement and a memorandum with reference to its negotiation in the Security Council.

The trusteeship agreement was proposed by the United States to the Security Council and approved by the Council with certain changes which were acceptable to the United States Government. Its terms are in conformity with the policy of this Government and with its obligations under the Charter of the United Nations. The terms of the agreement make ample provision for the political, economic, social, and educational development of the inhabitants of the trust territory, and at the same time fully protect the security interests of the United States.

The United States has taken an active role from the beginning in the establishment of the trusteeship system of the United Nations. I believe, therefore, that it would be only fitting, as well as in the interest of the inhabitants of the islands, that the trusteeship agreement should be brought into force as soon as possible.

I have given special consideration to whether the attached trusteeship agreement should be submitted to the Congress for action by a joint resolution or by the treaty process. I am satisfied that either method is constitutionally permissible and that the agreement resulting will be of the same effect internationally and under the supremacy clause of the Constitution whether advised and consented to by the Senate or whether approval is authorized by a joint resolution. The interest of both Houses of Congress in the execution of this agreement is such, however, that I think it would be appropriate for the Congress, in this instance, to take action by a joint resolution in authorizing this Government to bring the agreement into effect.

I hope that the Congress may give early consideration to this matter.

HARRY S. TRUMAN.

THE WHITE HOUSE, *July 3, 1947.*

(Enclosure: Letter from the Secretary of State with two enclosures.)

EXTENSION OF REMARKS

Mr. MASON asked and was given permission to extend his remarks in the RECORD.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, in a letter dated June 28, 1947, addressed to the Washington Post, Washington, D. C., a copy of which was sent to and received by me, and in a similar letter addressed to the Washington Times-Herald, copies of the latter having been addressed to and received by some of the members of the House Committee on Expenditures in the Executive Departments, by one D. Harold Byrd, Dallas, Tex., appear the following statements:

1. But if we look fully into Congressman HOFFMAN'S past record of performance we gain a better insight of why he seems to be deliberately delaying a matter of such importance to our country's defense. He has never seemed to care too much about our country's defense.

2. He seems to have been against everything that would protect our, and his, country.

3. In the book, the Illustrious Dunderheads, Congressman HOFFMAN is prominently mentioned for his "anti" tactics at a time when the country was rushing headlong toward a war.

4. In Russia, Congressman HOFFMAN would have been liquidated long ago as an enemy of his country.

The foregoing statements and, in particular, the one numbered four, by inference and innuendo, charge the Member from the Fourth Congressional District of Michigan with entertaining and acting upon and in furtherance of a policy which is detrimental to the interests of his country. The statements reflect upon the integrity and the patriotism, in his official capacity, of the Member from the Fourth Congressional District of Michigan, and raise the question of personal privilege.

The SPEAKER. The gentleman from Michigan is recognized for 1 hour.

Mr. HOFFMAN. Mr. Speaker, this matter is brought up at this time because the President recently in a talk here in Washington called attention to the fact that there was a great necessity for tolerance in this country. Why that should be forgotten by Mr. Byrd is not understandable. Mr. Byrd apparently is an officer or a stockholder of Byrd Frost, Inc., in Dallas, Tex. It is an oil company and I assume engaged in selling oil to domestic and foreign purchasers.

He makes the charge that the chairman of this committee has been deliberately "delaying a matter of great importance to the country's defense," because the Committee on Expenditures in the Executive Departments has not reported out the so-called merger bill. That charge, as every member of that committee knows, is without foundation.

There is no necessity of discussing at this time the merits of the unification bill. That will come before the House sometime in the near future.

It should be said that since the time the bill was introduced by me at the request of the administration and as an administration measure—and it was promptly introduced—from that time on, on every possible occasion, hearings have been held. In fact, the chairman went so far as to attempt to hold night sessions of the committee.

Due to the Reorganization Act passed by the previous Congress, the whole setup of this Congress had to be changed. We had to employ staff members; we had to have a clerical force; we had a new committee.

For example, of the 15 Republican members, 12 were not on the committee last year and 4 had never served in Congress previously. Of the 10 Democratic members, 8 were new to the committee work and, of the 8, 5 had never before served in Congress. So it is easy to understand why it required time to get into action.

Notwithstanding the fact that 20 of the 25 members were new to the work of that committee, we have put out several routine bills of some importance. Four subcommittees have held hearings and three of the four have submitted and have reported to the Congress reports well worth the attention and the careful study of every Member of this body.

The President sent down three reorganization plans, which were referred to the committee, one was accepted. Hearings were held on Reorganization Plans 2 and 3 and that took time. On those two plans, unfavorable reports were made to the House and the House, by a substantial majority and without a roll call and in less than an hour's time, adopted both. One, plan No. 2, has been similarly rejected by the Senate.

As soon as it was possible after the introduction of H. R. 2319, the unification bill, we began to hold hearings and, from the date of the first hearing to and including July 1, when the hearings were closed, hearings were held on every possible occasion.

The members were diligent in attendance; they were attentive and on no occa-

sion was there a partisan disagreement raised, either in the open hearings or in executive session.

Criticism of the committee, of its diligence, of the manner in which it gave consideration to the witnesses, is unwarranted. The unsubstantiated charge that the chairman of the committee has delayed hearings or consideration of the bill is a gratuitous insult.

Then there is a second statement:

He has been against everything that would protect our and his country.

How he reaches that conclusion I do not know. Perhaps it is explained in the third statement:

In the book, the Illustrious Dunderheads—

We all know what that was, a libel of perhaps one-third of the Members of Congress, the writer of this letter said that the chairman was prominently mentioned for his "'anti' tactics at a time when the country was rushing headlong toward a war."

There is no question but that, as did many other Congressmen, I opposed and voted against measures which I believed and which many Members of this House believed might get us into war. I remember on one occasion one of the measures was adopted by the House by one vote.

We believed, those of us who voted as we did, that by our action we were attempting to keep, and might be successful in keeping, this country out of war. I recall very distinctly that time and time again the gentleman from Mississippi [Mr. RANKIN] warned this country that, if it followed a certain course, the inevitable result would be war. I believed we were following a course which would get us into war. That I opposed with all my strength. I have no apology.

This gentleman, Mr. D. Harold Byrd, the oil man, apparently is ignorant of the situation, for he repeats that old, old charge that some of us, including the speaker, voted against the fortification of Guam. Well, that question was never before us; but aside from that, the charge I resent at this time is that the chairman of the Committee on Expenditures in the Executive Departments deliberately delayed the hearings on the unification bill. There is not a word of truth in that statement.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts, the leader of the majority in the Seventy-ninth Congress and the present whip of the Democratic minority.

Mr. McCORMACK. Mr. Speaker, I am a member of the committee that my friend is chairman of, and I have sat through all of the consideration of the merger or unification legislation. I can testify, and I now testify as emphatically as it is possible for me to do so, that at no time has the gentleman from Michigan [Mr. HOFFMAN] done anything to try to hinder the early consideration of the bill, either in hearings or in executive session. I say that as one who watched closely to see, because I wanted action taken on the bill by the committee. I state to the House now, and I hereby testify, that the evidence has been directly to the contrary. The gentleman from Michigan, as chairman of the committee and as a member of the committee, has done everything he possibly could to expedite action on the bill.

In relation to the other charges, all I have to say is that we may differ, Members may honestly differ, on pending legislation. I cannot argue with any man where conscience is involved. I may disagree with the judgment of another Member, but I respect the right of every Member to form his or her judgment, and whenever an honest judgment is formed I respect the right of the Member to follow the dictates of his or her conscience. While the gentleman from Michigan and I have differed on legislation that was in this body before Pearl Harbor, the gentleman arrived at his opinion from his conscience, and he carried out the dictates of his conscience, which he should have done, and as any Member should carry out the dictates of their conscience. I thoroughly respect the honesty of the gentleman's motives in arriving at the judgment he did, and I respect him for carrying out his conscience. After all is said and done, we have to live with our conscience, and we should follow the dictates of our conscience where the matter of conscience is involved.

Coming back to the bill, instead of delaying the matter, the gentleman, so far as I can observe—and I think the other members of the committee will confirm my statement—has done everything he possibly could to expedite the hearings, even holding night sessions or trying to hold more night sessions. The reason more night sessions were not held was not due to him. It was due to the fact that other members were so situated that they could not attend some of the night sessions that the gentleman from Michigan was urgently trying to have the committee conduct.

I assume the gentleman who wrote the letter is honorable and trustworthy. If so, and proceeding upon that assumption, in view of the statement the gentleman has made, if the one who wrote the letter believes what I state, he should write a letter of apology to the gentleman from Michigan on the charge of delaying consideration of the bill in question.

On the matter of difference of opinion as to legislation before Pearl Harbor, we can all disagree on that. It is a question of an honest conscience. From my observation of the gentleman from Michigan he has always had the courage to express whatever judgment he forms and whatever his conscience dictates him to do in the performance of his duty as a Member of the House.

I am glad to make these observations because, so far as the merger or unification bill is concerned, I repeat emphatically, the gentleman from Michigan has done everything he could as chairman to have the hearings expedited and to have the bill brought out for consideration. It is a big bill. It is a comprehensive bill. It is not one that you can arrive at an opinion on in 10 minutes or in 10 days. It requires deep thought, and I think as a result of the hearings that there have been a lot of valuable contributions made that the Members in executive session will consider seriously. The gentleman has done everything he possibly could to expedite the hearings and action on the bill.

Mr. HOFFMAN. I thank the gentleman for his statement.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Illinois.

Mr. CHURCH. As a former member of the committee that the gentleman is now chairman of, and that the distinguished gentleman from Massachusetts [Mr. McCORMACK] is a member of, I want to say "Amen" to his statement and to the gentleman's statement.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from West Virginia.

Mr. SNYDER. I am a member of the Committee on Expenditures in the Executive Departments, and I heartily concur in what the distinguished gentleman from Massachusetts [Mr. McCORMACK] said, that the chairman of our committee has been most diligent in pressing hearings and affording an opportunity for everyone to be heard. I was a member of the armed forces. I am keenly interested in the unification bill, and I have been more than pleased and satisfied with the aggressive action that the chairman has taken in bringing witnesses before the committee and getting this legislation in shape to report to the House for final action.

Mr. HOFFMAN. I thank the gentleman.

Now, Mr. Speaker, there has been no secret about the attitude of members of this committee. There is a difference of opinion, as there almost always is a difference of opinion, on important proposed legislation. Speaking generally of the committee and its actions, there has never been any controversy in the committee growing out of any personal or partisan feeling.

This measure, the unification bill, so-called, is not a partisan measure; not by any means. It was before the last Congress. It was before preceding Congresses away back to 1903. Personally, I do not favor all of the provisions of the original bill which I introduced by request, and that is known to every member of the committee.

But, when it comes to the question of delay, as the gentleman from Massachusetts and the gentleman from West Virginia said, there has been no delay.

And, I will add this statement to what they said: On the day the hearings were closed, there was presented to the committee a detailed statement in parallel columns of all the bills that have been presented to the committee bearing upon this subject, up to the present time, so that the committee might be advised of what had been presented to them before the subcommittee met to mark up a bill.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield further?

Mr. HOFFMAN. I yield.

Mr. McCORMACK. The gentleman brings another thought to my mind.

The gentleman is doing something which is most unusual. He is going to have the hearings printed for the subcommittee that has been appointed to go over the draft of the bill and consider the bill in subcommittee before it goes to the full committee. This print is very voluminous. I got the hearings only last night, with the request from the clerk of the committee to return them. I was glad to see them. They wanted to get them back by 12 o'clock.

Now, that is what the gentleman has been doing. Every bit of evidence that I have seen is that the gentleman from Michigan, no matter what his views might be on the bill as chairman of the committee, and I believe in giving credit where credit is due—has been doing everything possible to expedite the hearings on the bill, and I am glad, only too glad, to publicly subscribe to that fact and to see that the truth from that angle, that being one of the issues raised, is proclaimed as widely as I possibly can proclaim it.

Mr. HOFFMAN. Nothing would have been said about this matter had it not been for the fact that over the past few weeks the press, on several occasions, has seized the opportunity to charge that this measure was being delayed.

When that untrue charge put out by way of propaganda and for pressure purposes was followed by the receipt of a copy of a letter written to the press, repeating the false charge, and I learned from the members of the committee that they had received copies of the letter vilifying me, it was just a little too much.

In my opinion, it is only fair, there being at the moment no other business ready for the consideration of the House, to advise the Members of the falsity, the littleness and the meanness of the charge.

Of course, as stated before, it has taken some time, but everything is now ready for the subcommittee to mark up the bill. As soon as the hearings were ended, the very day the hearings were ended, a subcommittee was appointed, the next Monday, July 7, was fixed as the first day of the hearings for the subcommittee.

I call this matter to the attention of the Members of the House for the benefit of some of the newer Members, those who came in with the Eightieth Congress, because they will find as time goes on that if you follow your conscience and express your thoughts you will always find someone finding fault with what you are doing, as they have a right to do, and then going beyond that and charging you with a lack of patriotism, which no one has the right to do until a Member of this body has demonstrated beyond controversy that he is doing something that is not in the interest of the country.

Over the years, because I demanded fair and equitable labor legislation, was bitterly opposed to the New Deal, what I considered its waste, its spending, and its inefficiency, such assassins of character as Walter Winchell and Drew Pearson have repeatedly viciously and meanly vilified and slandered me, both in the press and over the air. Against such attacks a Congressman has no effective remedy.

But where he lives in a district where the people, as they are in the Fourth Congressional District of Michigan, are intelligent, patriotic, and sound in their thinking, their opinions, their words carry little if any weight.

Time and again the CIO and the PAC have circulated illustrated pamphlets containing false and unfair statements.

In 1942, because I made on the floor of this House two talks protesting the abandonment of any portion of our sovereignty, the hauling down of the Stars and Stripes, I was summoned to appear before a grand jury here in Washington because some folks who were more enthusiastic than discreet, who were intensely American but had peculiar views on some other subjects than those pertaining to our national welfare, circulated some of those speeches.

These matters are referred to so that those of you who came to the Congress for the first time in January of this year may be advised not to take too seriously what someone says about you, what the press may write, or how your actions may be criticized or characterized.

The only suggestion I have to offer to the newer Members of this Congress is to, as I am sure you all will, listen to the advice of all who care to offer it, form your own opinion, follow your own judgment. You will then, when you come to the end of your service, have at least pleased yourself, have nothing to regret.

EXTENSION OF REMARKS

Mr. DEVITT asked and was given permission to extend his remarks in the RECORD and include an article.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, AND THE JUDICIARY APPROPRIATION BILL, 1948

Mr. STEFAN submitted the following conference report and statement on the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary for the fiscal year ending June 30, 1948, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice, and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 52, and 61.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 8, 10, 11, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 27, 31, 32, 33, 34, 39, 40, 41, 42, 44, 45, 47, 48, 49, 50, 51, 53, 55, 58, 60, 62, 64, 65, 67, 68, 69, 70, 71, 72, 74, 76, 78, 79, 83, 84, and 86, and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$30,067,250"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$48,737,750"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$700,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$75,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$3,600,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "thirteen"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert the following: "$3,900,000"; and the Senate agree to the same.

Amendment numbered 46: That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment amended to read as follows:

"Pay and expenses of bailiffs: For pay of bailiffs, not exceeding one bailiff in each court, and meals and lodging for bailiffs or deputy marshals in attendance upon juries when ordered by the court, $50,000: *Provided*, That none of this appropriation shall be used for the pay of bailiffs when deputy marshals or marshals or court criers are available for the duties ordinarily executed by bailiffs, the fact of unavailability to be determined by the certificate of the marshal."

And the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$5,700,000"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$4,500,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$1,240,000"; and the Senate agree to the same.

Amendment numbered 73: That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$3,000,000"; and the Senate agree to the same.

Amendment numbered 77: That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment as follows: in lieu of the sum proposed by said amendment insert "$2,155,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 3, 5, 7, 9, 26, 35, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

JOSEPH H. BALL,
STYLES BRIDGES,
KENNETH S. WHERRY,
PAT MCCARRAN,
KENNETH MCKELLAR,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3311) making appropriations for the Departments of State, Justice and Commerce, and the Judiciary, for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

CORRECTIONS, ETC.

The following amendments are in correction of citation, totals, punctuation, text, spelling, and so forth: Amendments Nos. 1, 10, 16, 23, 24, 32, 33, 34, 41, 58, 60, and 67.

DEPARTMENT OF STATE

Amendment No. 3, relating to expenses of attendance at meetings: Provides $30,000 as proposed by the Senate instead of $26,000 as proposed by the House.

Amendment No. 4, relating to tolls: The House provided $15,000; the Senate, $65,000; the House recedes.

Amendment No. 6, the total appropriated for salaries and expenses, Department of State: The House provided $20,000,000; the Senate, $30,567,250; the conferees agreed upon $30,067,250. None of the reduction below the Senate figure is to be applied to the International Broadcasting Division.

Amendment No. 8, printing and binding: The House provided $720,000; the Senate, $960,000; the House recedes.

Foreign Service

Amendment No. 11, commissary and mess service: The House provided $200,000; the Senate, $275,000; the House recedes.

Amendment No. 12, salaries and expenses, Foreign Service: The House provided $46,830,000; the Senate, $49,437,750; the conferees agreed upon $48,737,750.

Amendment No. 13, living and quarters allowances: The House provided $7,600,000; the Senate, $8,130,000; the House recedes.

Amendment No. 14, representation allowances: The House provided $500,000; the Senate, $1,000,000; the conferees agreed upon $700,000.

Amendment No. 15, printing and binding: The House provided $155,000; the Senate, $180,000; the House recedes.

Amendment No. 17, participation by United States in the work of the Bureau of Interparliamentary Union for Promotion of International Arbitration: The House provided $20,000; the Senate $30,000; the House recedes.

Amendment No. 18, relating to the appropriation provided in amendment No. 17: The House provided that $10,000 be expended under the direction of the Speaker of the House of Representatives; the Senate struck out the House language and provided that $15,000 be expended under the direction of the President and the Executive Secretary of the American group; the House recedes.

Amendment No. 19, relating to International Bureau of Weights and Measures: The House appropriated $7,351; the Senate, $8,314; the House recedes.

Amendment No. 20, International Civil Aviation Organization: The House appropriated $350,000; the Senate, $510,000; the House recedes.

Amendment No. 21, International Council of Scientific Unions: The House provided $33; the Senate, $163; the House recedes.

Amendment No. 22, International Geographical Union: The Senate appropriated $552; the House, none; the House recedes.

Amendment No. 25, United States participation in United Nations: Retains the provision inserted by the Senate for the purchase of six passenger motor vehicles, one at not to exceed $3,000.

Amendments Nos. 27 and 28, international activities: The House provided a limitation of $50,000 for representation allowances; the Senate, $100,000 for entertainment and representation allowances; the conferees agreed upon $75,000 for entertainment and representation allowances.

Amendment No. 29: Appropriates $3,600,000 for international activities instead of $3,000,000 as proposed by the House and $3,700,000 as proposed by the Senate.

Amendment No. 30: Provides for purchase of 13 automobiles instead of 18 as proposed by the House and 8 as proposed by the Senate.

Amendment No. 31: Makes the appropriation for International Boundary and Water Commission available for payment of tort claims as proposed by the Senate.

Amendment No. 36: Deletes authority proposed by the Senate for purchase of six automobiles.

Amendment No. 37: Appropriates $3,900,000 for cooperation with American Republics instead of $3,000,000 as proposed by the House and $4,300,000 as proposed by the Senate.

Amendment No. 39: Authorizes use of $35,500 for health service program as proposed by the Senate.

Amendment No. 40: Appropriates $40,286,150 for Philippine rehabilitation as proposed by the Senate instead of $42,786,150 as proposed by the House.

Amendment No. 42: Appropriates $1,430,000 for liquidation of the information and cultural program as proposed by the Senate.

Amendment No. 44: Strikes out, as proposed by the Senate, language proposed by the House with respect to effect on future employment by the Government of persons discharged by the Secretary of State.

DEPARTMENT OF JUSTICE

Amendment No. 45: Appropriates $2,500,000 for the Lands Division as proposed by the Senate instead of $2,550,000 as proposed by the House.

Amendment No. 46: Appropriates $50,000 for pay and expenses of bailiffs instead of $230,000 as proposed by the House. The conferees are agreed that the Congress will look with disfavor upon any deficiency estimate for this item.

Amendment No. 47: Appropriates $27,000,000 for Immigration and Naturalization Service as proposed by the Senate instead of $27,445,000 as proposed by the House.

Amendment No. 48: Restricts, as proposed by the Senate, the payment for overtime service of employees of the Immigration Service to such payments as may be authorized by the Federal Employees Pay Act of 1945 and 1946.

Amendment No. 49: Appropriates $18,646,730 as proposed by the Senate for penal institutions instead of $18,750,000 as proposed by the House.

Amendment No. 50: Appropriates $1,400,000 for medical and hospital services for penal institutions as proposed by the Senate instead of $1,430,000 as proposed by the House.

Amendment No. 51: Appropriates $1,750,000 as proposed by the Senate for support of prisoners instead of $1,850,000 as proposed by the House.

DEPARTMENT OF COMMERCE

Amendment No. 52: Deletes language proposed by the Senate to authorize expenditure of $1,000 for entertainment.

Amendment No. 53: Appropriates $944,483 as proposed by the Senate for the Office of the Secretary instead of $800,000 as proposed by the House.

Amendment No. 55: Appropriates $650,000 for penalty mail as proposed by the Senate instead of $600,000 as proposed by the House.

Amendment No. 56: Appropriates $5,700,000 for census statistics instead of $5,000,000 as proposed by the House and $5,845,000 as proposed by the Senate.

Amendment No. 57: Limits amount which may be expended at the seat of Government by current Census Statistics to $4,500,000 instead of $3,800,000 as proposed by the House and $4,645,000 as proposed by the Senate. It is the intention of the managers on the part of the House that under this provision the Department is expected to consolidate the Customs Statistics activities in New York, N. Y., rather than to maintain a portion at the seat of Government, as intended by the original provision in the bill in the House.

Amendment 59: Appropriates $1,240,000 for Administration of the Bureau of the Census instead of $1,200,000 as proposed by the House and $1,245,000 as proposed by the Senate.

Amendment 61: Deletes authority for expenditure of $2,000 for entertainment proposed by the Senate.

Amendment 62: Appropriates $72,923,248 for salaries and expenses, Civil Aeronautics Administration, as proposed by the Senate instead of $71,081,484 as proposed by the House. The conferees agreed that the amount indicated in the Senate report for general administration may be increased by $400,000 for the specific purpose of maintaining and operating regional warehouses; also, that the limitation of $1,500,000 imposed for operation of aircraft is increased to $1,600,000; but that otherwise the Senate recommendation with respect to the number of class 1 and class 2 employees shall stand. A survey shall be conducted forthwith by the Civil Aeronautics Administration to determine the extent to which the State and municipal governments, the commercial air lines, and the military should participate in the maintenance and operation of air traffic control towers.

Amendment 64: Appropriates $11,109,066 for air navigation facilities as proposed by the Senate instead of $17,638,000 as proposed by the House.

Amendment 65: Strikes out, as proposed by the Senate, reappropriation of unexpended balance of appropriation for air navigation facilities.

Amendment 68: Limits the amount which may be transferred to appropriation for salaries and expenses to $280,000 as proposed by the Senate instead of $500,000 as proposed by the House.

Amendment No. 69: Authorizes purchase of two automobiles as proposed by the Senate instead of one as proposed by the House.

Amendment No. 71: Appropriates $1,600,000 for technical development as proposed by the Senate instead of $2,000,000 as proposed by the House.

Amendment No. 72: Appropriates $1,102,500 for the Washington National Airport as proposed by the Senate instead of $1,236,000 as proposed by the House.

Amendment No. 73: Appropriates $3,000,000 for Civil Aeronautics Board instead of $3,100,000 as proposed by the Senate and $2,500,000 as proposed by the House.

Amendment No. 74: Appropriates $40,000 for printing and binding as proposed by the Senate instead of $35,000 as proposed by the House.

Amendment No. 76: Appropriates $4,943,537 for the Bureau of Foreign and Domestic

Commerce, as proposed by the Senate instead of $5,000,000 as proposed by the House.

Amendment No. 77: Appropriates $2,155,000 for field office service instead of $2,000,000 as proposed by the House and $2,375,000 as proposed by the Senate.

Amendment No. 78: Appropriates $1,450,000 as proposed by the Senate for administration, Bureau of Standards, instead of $1,000,000 as proposed by the House.

Amendment No. 79: Appropriates $21,052,000 for salaries and expenses, Weather Bureau, as proposed by the Senate instead of $21,000,000 as proposed by the House.

THE JUDICIARY

Amendment No. 83: Appropriates $3,631,295 for salaries, clerks of courts, as proposed by the Senate instead of $3,600,000 as proposed by the House.

Amendment No. 84: Strikes from the bill language proposed by the House to close certain offices of clerks of courts.

Amendment No. 86: Appropriates $865,000 for salaries of court reporters as proposed by the Senate instead of $800,000 as proposed by the House.

MOTIONS WITH RESPECT TO AMENDMENTS IN DISAGREEMENT

The managers on the part of the House have directed that the following motions be made with respect to the amendments reported in disagreement:

To recede from disagreement and concur in Senate amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85.

Amendment No. 2: That the House recede from disagreement and concur with an amendment to correct punctuation.

Amendment No. 5: That the House recede from disagreement and concur with an amendment striking out of the proposed language authority to expend $5,000 for entertainment.

Amendment No. 26: That the House recede from disagreement and concur with an amendment striking out a comma.

Amendment No. 35: That the House recede from disagreement and concur with an amendment reducing the amount proposed from $12,000 to $5,000.

KARL STEFAN,
WALT HORAN,
IVOR D. FENTON,
JOHN J. ROONEY,
J. VAUGHAN GARY,
Managers on the Part of the House.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill H. R. 3311.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Clerk read the statement.

Mr. STEFAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER pro tempore (Mr. MICHENER). The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. Mr. Speaker, I ask unanimous consent that amendments Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendments in disagreement.

The Clerk read as follows:

Senate amendment No. 7: Page 4, line 14, insert the following: *Provided further,* That notwithstanding the provisions of section 3679 of the Revised Statutes (31 U. S. C. 665), the Department of State is authorized in making contracts for the use of international short-wave radio stations and facilities, to agree on behalf of the United States to indemnify the owners and operators of said radio stations and facilities from such funds as may be hereafter appropriated for the purpose, against loss or damage on account of injury to persons or property arising from such use of said radio stations and facilities: *Provided further,* That not to exceed $1,157,000 of the funds allocated to the International Broadcasting Division from this appropriation shall be available for personal services."

Senate amendment No. 9: Page 6, line 11, insert the following:

"North Atlantic fisheries: For necessary expenses of surveys, discussions, and other preliminary activities incident to the negotiation of an international agreement relating to conservation of the North Atlantic fisheries, $25,000."

Senate amendment No. 38: Page 25, line 8, insert the following: "purchase of health and accident insurance for trainees (for whom such benefits are not otherwise allowed) while in the United States in pursuance of training programs."

Senate amendment No. 43: Page 28, line 23, insert the following: "The provision of law prescribing the use of vessels of United States registry by any officer or employee of the United States (46 U. S. C. 1241) shall not apply to any travel or transportation of effects payable from funds appropriated, allocated, or transferred to the Secretary of State or the Department of State."

Senate amendment No. 54: Page 46, line 7, insert the following:

"Technical and scientific services: For necessary expenses in the performance of activities and services relating to technological development as an aid to business in the development of foreign and domestic commerce, including all the objects for which the appropriation 'Salaries and expenses, Office of the Secretary,' is available (not to exceed $25,000), for services as authorized by section 15 of the act of August 2, 1946 (Public Law 600), and not to exceed $60,000 for printing and binding, $790,000: *Provided further,* That the Secretary is authorized, upon request of any public or private organization or individual, to reproduce by appropriate process, independently or through any other agency of the Government, any scientific or technical report, document, or descriptive material, foreign or domestic, which has been released for public dissemination, and to sell such reproductions at a price not less than the estimated total cost of reproducing and disseminating same as may be determined by the Secretary, the moneys received from such sale to be deposited in a special account in the Treasury, such account to be available for reimbursing any appropriation which may have borne the expense of such reproduction and dissemination and making refunds to organizations and individuals when entitled thereto."

Senate amendment No. 63: Page 50, line 24, insert the following: "the construction and furnishing of quarters and related accommodations for officers and employees of the Civil Aeronautics Administration and the Weather Bureau stationed at remote localities not on foreign soil where such accommodations are not otherwise available."

Senate amendment No. 66: Page 51, line 9, insert the following: "*Provided,* That the appropriation under this head for the fiscal year 1947 is hereby consolidated with and made a part of this appropriation to be disbursed and accounted for as one fund and to remain available until June 30, 1948: *Provided further,*."

Senate amendment No. 75: Page 56, line 22, insert the following: "for the purchase (not to exceed 22), maintenance, operation, and repair of vehicles known as station wagons and surburban carry-alls without such vehicles being considered as passenger-carrying vehicles and."

Senate amendment No. 80: Page 63, line 13, insert the following: "and titles II and III of the Federal Employees Pay Act of 1945."

Senate amendment No. 81: Page 64, line 9, insert the following:

"The appropriations 'Salaries and expenses, Civil Aeronautics Administration'; 'Salaries and expenses', Civil Aeronautics Board; and 'Salaries and expenses', Weather Bureau, shall be available under regulations to be prescribed by the Secretary, for furnishing on a reimbursable basis to employees of the Civil Aeronautics Administration, the Civil Aeronautics Board, and the Weather Bureau in Alaska and other areas outside the United States where determined necessary by the Secretary emergency medical services by contract or otherwise and medical supplies, and for the purchase, transportation, and storage of food and other subsistence supplies for resale to such employees, the proceeds from such resales to be credited to the appropriation from which the expenditure for such supplies was made and a report shall be made to Congress annually showing the expenditures made for such supplies and the proceeds from such resale; and appropriations of the Civil Aeronautics Administration and the Weather Bureau shall be available in an amount not to exceed $20,000 for furnishing food, clothing, medicines, and other supplies for the temporary relief of distressed persons in remote localities, reimbursement for such relief to be in accordance with regulations prescribed by the Secretary."

Senate amendment No. 82: Page 66, line 1, insert the following:

"Preparation of rules for civil procedure: For expenses of the Supreme Court incident to proposed amendments or additions to the rules of civil procedure for the district courts of the United States pursuant to the act of June 19, 1934 (48 Stat. 1064), including personal services in the District of Columbia and printing and binding, to be expended as the Chief Justice in his discretion may approve, including per diem allowances in lieu of actual expenses for subsistence at rates to be fixed by him not to exceed $10 per day, $5,420."

Senate amendment No. 85: Page 73, line 5, insert:

"Miscellaneous salaries: For salaries of all officials and employees of the Federal judiciary, not otherwise specifically provided for, $1,800,000: *Provided,* That the compensation of secretaries and law clerks of circuit and district judges (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) shall be fixed by the Director of the Administrative Office without regard to the Classification Act of 1923, as amended, except that the salary of a secretary shall conform with that of the main (CAF-4), senior (CAF-5), or principal (CAF-6) clerical grade, or assistant (CAF-7), or associate (CAF-8) administrative grade, as the appointing judge shall determine, and

the salary of a law clerk shall conform with that of the junior (P–1), assistant (P–2), associate (P–3), full (P–4), or senior (P–5) professional grade, as the appointing judge shall determine, subject to review by the judicial council of the circuit if requested by the Director, such determination by the judge otherwise to be final: *Provided further*, That (exclusive of any additional compensation under the Federal Employees Pay Act of 1945 and any other acts of similar purport subsequently enacted) the aggregate salaries paid to secretaries and law clerks appointed by one judge shall not exceed $6,500 per annum, except in the case of the senior circuit judge of each circuit and senior district judge of each district having five or more district judges, in which case the aggregate salaries shall not exceed $7,500."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendments of the Senate Nos. 7, 9, 38, 43, 54, 63, 66, 75, 80, 81, 82, and 85, and concur in the Senate amendments.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 2, line 7, insert the following: "employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $9,000)."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate and concur therein with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 2 and concur in the same with an amendment as follows: "In lieu of the matter inserted by said amendment, insert the following: "employment of aliens; temporary employment of persons in the United States, without regard to civil service and classification laws (not to exceed $20,000)."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 5: Page 3, line 1, insert the following: "acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmission and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes; not to exceed $5,000 for entertainment.

Mr. STEFAN. Mr. Speaker, I move the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 5 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by said amendment insert the following: 'acquisition, production, and free distribution of informational materials for use in connection with the operation, independently or through individuals, including aliens, or public or private agencies (foreign or domestic), and without regard to section 3709 of the Revised Statutes of an information program outside of the continental United States, including the purchase of radio time (except that funds herein appropriated shall not be used to purchase more than 75 percent of the effective daily broadcasting time from any person or corporation holding an international short-wave broadcasting license from the Federal Communications Commission without the consent of such licensee), and the purchase, rental, construction, improvement, maintenance, and operation of facilities for radio transmisison and reception; purchase and presentation of various objects of a cultural nature suitable for presentation (through diplomatic and consular offices) to foreign governments, schools, or other cultural or patriotic organizations, the purchase, rental, distribution, and operation of motion-picture projection equipment and supplies, including rental of halls, hire of motion-picture projector operators, and all other necessary services by contract or otherwise without regard to section 3709 of the Revised Statutes.' "

Mr. STEFAN. Mr. Speaker, in bringing up this conference report, I want to state to the House that while neither side was completely satisfied with the results obtained, we are in complete accord. The major issue involved was, of course, the information and cultural activities of the Department of State for which the Senate has recommended the amount of $13,400,000 which, however, included $1,430,000 for terminal-leave payments made necessary because of the fact that under the limited funds provided a great portion of the employees will have to be terminated. The House was successful, however, in reducing this over-all amount by $1,000,000, leaving a net of $12,400,000 for this activity. It was the thought of the conferees that if this activity was to be continued at all, this was about the minimum that should be provided. I should also like to tell the House that the major portion or $6,387,250 is for the international broadcasting. In other words, the amount provided definitely limits the amount for other activities that are presently being carried on by this organization.

Other items were mostly a matter of compromise. We were successful, for instance, in saving $300,000 in the representation allowance of the State Department Foreign Service. With respect to the Office of Technical Services in the Commerce Department, the House conferees went along with the greatly reduced amount for this activity but with the understanding that the Department is to give serious consideration to the liquidation of this activity as such when the bulk of German scientific and technical data is processed. The House conferees feel that by and large, the intent of the House in its original enactment of this bill have been carried out.

Mr. Speaker, several Members have asked me to explain that the matter of the court offices in which some of them were interested remains in the bill as the Senate has included in the bill the clerks and other assistants for the Federal courts over which some of the Members have been concerned and which was stricken out of the bill on a point of order in the House because it was legislation on an appropriation bill. That has been restored and the matter taken care of.

Every member of the committee signed the report and it comes to you as a unanimous report.

Mr. Speaker, I yield 10 minutes to the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Speaker, I have no intention of consuming the time of the House on this report. I do, however, want to emphasize what the chairman of our committee has said, that none of us are entirely satisfied with the results that have been accomplished. There are some items in which we yielded very reluctantly. I am greatly distressed that the bill carries only $12,400,000 for the information and cultural program of the Department of State. I personally am convinced that the amount is wholly inadequate to carry on a satisfactory program. However, in appropriation bills we have to give and take. The Democratic conferees, believing that they have gotten the best agreement possible, have signed the report so that the appropriations of the various departments will not be longer delayed. We desire the record to show, however, that although we present a unanimous report as to certain items we signed with great reluctance.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 26: Page 16, line 9, insert "entertainment."

Mr. STEFAN. Mr. Speaker, I move that the House recede from its disagreement to the amendment of the Senate No. 26 and concur therein with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert "entertainment."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 35: Page 22, line 23, insert the words "not to exceed $12,000 for entertainment."

Mr. STEFAN. Mr. Speaker, I offer a motion, which is at the Clerk's desk.

The Clerk read as follows:

Mr. STEFAN moves that the House recede from its disagreement to the amendment of the Senate No. 35 and concur therein with an amendment as follows: "In lieu of the matter proposed to be inserted by the

Senate amendment insert the following: 'not to exceed $5,000 for entertainment.' "

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska [Mr. STEFAN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

EMPLOYERS' LIABILITY ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 270, Rept. No. 788), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1639, to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now printed in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SCHICK GENERAL HOSPITAL, CLINTON, IOWA

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 271, Rept. No. 789), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 54) to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration. That after general debate, which shall be confined to the concurrent resolution and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the concurrent resolution shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the concurrent resolution for amendment, the Committee shall rise and report the concurrent resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Speaker, I take this time in order to announce the program for next week.

On Monday the Consent Calendar will be called. There is a considerable number of bills on the calendar and it will probably take some time to dispose of that.

It is then proposed to take up such suspensions as the Speaker may recognize.

On Tuesday it is hoped we can dispose of the tax bill.

For the balance of the week, Wednesday, Thursday, Friday, and Saturday, we will plan to take up the District of Columbia appropriation bill; S. 564, the succession bill; H. R. 4075, the sugar bill; H. R. 4051, to amend the Natural Gas Act; H. R. 3813, the loyalty bill; S. 526, the scientific-foundation bill; Senate Joint Resolution 123, repealing certain emergency laws; House Concurrent Resolution 54, having to do with the Schick Hospital; H. R. 1639, amending the Employers Liability Act; H. R. 1602, the mineral-resources bill.

Conference reports, of course, may be called up at any time they are ready; and, in addition, any urgent rules, not listed, may be called up during the week if time permits.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. RAYBURN. The terminal-leave-pay bill will be taken up Monday?

Mr. HALLECK. I suspect that is one of the suspensions that will be called on Monday.

EXTENSION OF REMARKS

Mr. O'HARA asked and was given permission to extend his remarks in the RECORD in two instances.

Mr. ELLIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include excerpts from a newspaper.

Mr. SPRINGER asked and was given permission to extend his remarks in the RECORD.

SPECIAL ORDER

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Illinois [Mr. MASON] is recognized for 30 minutes.

Mr. MASON. Mr. Speaker, we Americans were once a carefree and happy people. When we earned a dollar we could do with it as we pleased. That was before the New Deal Era; before the New Deal levied the present burdensome income tax upon 45,000,000 taxpayers that had never before paid a direct Federal tax; before Uncle Sam started reaching into the pay envelopes of the working men of America and extracting "his cut" of the amount found therein. Today Uncle Sam takes from 20 cents to 80 cents out of every dollar earned, depending upon the size of the person's income and the tax bracket in which he is placed. That is how we pay today for the something-for-nothing program of the past decade.

The following interesting comparison shows plainly to what extremes we have gone with our Federal income tax.

In 1748, when George Washington was 16 years old, the German barons of Prussia issued a partial emancipation proclamation which stated that from then on the German serfs could have 2 days each week to work for themselves and their families, that hereafter they would only be required to work 4 days per week for their masters—the German Government of that day. This was equivalent to reducing the 100 percent tax upon a serf's time to a 66⅔ percent tax upon his time.

On the basis of 300 working days per year the American citizen today in the lower brackets—below $3,000—is required to work only 17 days per year for the Government; in the $3,000 to $5,000 bracket, 36 days per year; $5,000 to $10,000, 52 days; $25,000 to $50,000, 126 days; $250,000 to $700,000, 230 days; and over $700,000, 260 days per year. So the American citizen in the top income bracket today is required to work for his Government more days per year than the German serf of 200 years ago. He is actually required to work for his Government 5 out of 6 days every week in the year.

Mr. Speaker, there is no more pertinent statement in the field of taxation than "The power to tax is the power to destroy." I am opposed to high taxes, not primarily because they place a burden upon the rich, but because they prevent the poor from becoming rich. The ambitious individual—the Fords and Edisons—who dreamed dreams and launched out on some business venture in the days of low taxes has already made his mark. He has accumulated his capital, and become a captain of industry. The acid test of a system of taxation is not its effect upon the man who has already achieved, but rather its effect upon the ambitious young man just starting out to achieve.

Collecting taxes is like taking blood from a human body for a blood bank. If we take too much at a time we run the risk of weakening the patient so that he cannot give blood another day. Whenever a tax takes too much or too often from the channels of business, business is weakened and the Treasury loses. When virile, forward, venturesome young men are permitted to grow and expand in a favorable tax climate, the Treasury gains. High tax rates produce an economic anemia that prevents business expansion and makes it impossible for an ambitious, venturesome young man to achieve.

Mr. Speaker, jobs and taxes are tied together. They cannot be separated. They are closely related. High tax rates mean a contracting national economy, fewer jobs, and increasing unemployment. Low tax rates mean an expanding national economy, more jobs, and little if any unemployment.

Our present tax rates are confiscatory; they have passed the point of diminishing returns; they are drying up the streams of investment capital; they are discouraging business expansion and preventing new enterprises from being established. When manufacturers are forced to hand over to Uncle Sam 80 cents out of every dollar they make in profit—as many of them are required to do today—there is no incentive to expand, to create new jobs, to produce more goods for a hungry consuming public. Our tax rates should not discourage new ventures and the taking of business risks. The present tax rates do just that. When over-all taxes take more than one-fourth the total national

income as they do today, the tax load is too heavy upon the average taxpayer. When the tax load in the higher brackets takes 80 cents out of every dollar the taxpayer receives, as it does today, it kills the goose that lays the golden eggs—the golden eggs in this case being more jobs and additional pay rolls for the workingmen of America.

The present over-all tax load upon the average American taxpayer must be lightened considerably, and the extra heavy tax load upon the taxpayer in the high brackets must also be lightened considerably if 60,000,000 jobs are to be created and maintained. Any Boy Scout knows that the proper adjustment of the pack on his back will enable him to carry a load that would otherwise become unbearable upon a long hike. The job of the Congress today is not only to lighten the tax load upon the average American taxpayer but also to adjust the tax load in such a way that jobs will be created and maintained.

Mr. Speaker, the Ways and Means Committee is at present holding public hearings on a long overdue revision of our Federal tax laws. The present laws are the result of compromise developed over many years of piecemeal tax legislation. They constitute today a Federal tax system resembling the patchwork of a crazy quilt. These public hearings will continue for several months and will cover the following fields of taxation:

First. Business taxes: Corporate rates, taxation of dividends, taxation of small business, taxation of partnerships, and taxation of cooperatives.

Second. Individual income taxes: Rates, exemptions, family income, pensions and annuities, and earned income.

Third. Excise taxes: Rates, luxury taxes, liquor taxes, tobacco taxes, transportation and communication taxes.

Fourth. Social-security taxes: Extension of present coverage, and rates necessary to make funds actuarilly sound.

Fifth. Estate and gift taxes: Rates and incentive to accumulate.

Sixth. Technical tax matters: Administration difficulties, simplification and clarification of language, and so forth.

The committee has set a gigantic task for itself. If the task is to be completed, the committee must receive the fullest cooperation from all quarters and from all interested groups. As a result of these hearings a comprehensive tax bill will be prepared, ready for introduction in the House next January.

In connection with tax revision the Congress must take into account and decide upon: First, the Federal budget; second, reduction of Government expenditures; third, substantial and regular payments upon the national debt.

The President's budget estimate of $37,500,000,000 is based upon the present national income of $166,000,000,000 That is the highest national income in our history. As recently as 1940 our national income was only 77.6 billions. The President's budget estimate is also based upon the most burdensome tax rates even known in peacetime. His budget therefore presupposes the continuation of an inflated national income and oppressive war tax rates, neither of which can be expected to continue. The Federal budget must be drastically cut before tax revision can be accomplished.

The first steps in expenditure reduction are now being taken. When the Congress gets through with the appropriations for the next fiscal year there will be a reduction of about $5,000,000,000. An estimated surplus for this year of three or four billion dollars, plus the expected reduction in next year's expenditures, should provide ample funds to balance the budget, to make a substantial payment on the national debt, and to take care of a tax-reduction program.

Mr. John W. Snyder, Secretary of the Treasury, in testifying before the Ways and Means Committee defined a sound tax program as one that:

(a) Will produce adequate revenue for Government needs.

(b) Will be equitable in its treatment of different groups.

(c) Will interfere as little as possible with incentives to work, to save, and to invest.

(d) Will maintain broad consumer markets so essential for high-level production and employment.

(e) Will be simple to administer and easy to comply with.

(f) Will be flexible so as to avoid frequent revisions of the basic tax structure. This means a stable tax structure with flexibility confined to changes in rates and exemptions.

I agree fully with the items listed by Secretary Snyder as essential qualities of a sound tax structure.

Mr. Speaker, the following are interesting facts and figures in connection with our present tax system that must be considered in any tax-revision program:

First. Forty-seven million persons who pay Federal income taxes have incomes of $5,000 per year or less; they receive 80 percent of the total national income, but pay only 56 percent of the total tax collected.

Second. Two million persons who pay Federal income taxes have incomes of more than $5,000 per year; they receive 20 percent of the total national income, but pay 44 percent of the total tax collected.

Third. Under present law an individual receiving an income of $50,000 pays a tax 27 times as large as that paid on a $5,000 income; and an individual receiving an income of $300,000 pays a tax 255 times as large as that paid on a $5,000 income. These tax loads are out of all proportion, and should be adjusted properly.

Under the Knutson tax-reduction bill, passed by the Congress, but vetoed by the President, the average American family of four would have paid taxes as follows:

A yearly income of $2,000 or below, no tax.

Yearly income	Yearly tax	Percent of income
$2,100	$13	0.6
$2,500	67	2.7
$5,000	471	9.4
$10,000	1,490	14.9
$50,000	19,289	27.2
$100,000	49,841	49.8
$500,000	341,300	68.2
$1,000,000	728,050	72.8

Mr. Speaker, when a tax bill takes less than 1 percent of the income of a person in the lowest tax-paying bracket and 72.8 percent of the income of a person in the upper tax-paying bracket, how can anyone honestly call it a rich man's tax bill? Yet that is exactly what President Truman did in his veto message.

It is interesting to note in this connection that less than 2 years ago President Truman signed the Revenue Act of 1945, which was a Democratic tax measure sponsored by Congressman ROBERT DOUGHTON, then chairman of the Ways and Means Committee. The Revenue Act of 1945 provided tax relief totaling $6,000,000,000 per year, most of which went to corporations, and this was done in the face of a $20,000,000,000 budget deficit. Now President Truman has vetoed a Republican tax reduction bill that proposed to give 49,000,000 individuals tax relief amounting to $4,000,000,000, most of which would have gone to taxpayers in the lower brackets. The bill was vetoed in spite of the fact that a Treasury surplus of several billion dollars is expected during the present fiscal year.

In taking this action President Truman brushed aside the advice of such Democratic leaders as Senator GEORGE and Congressman DOUGHTON, who told him the country needed tax relief now. These two men are outstanding tax authorities, each having been chairman of the respective tax committees of the Senate and the House. President Truman preferred to follow the advice of lesser men who do not understand that this Nation cannot long maintain full employment, full production, and a sound economy, and at the same time carry the present excessive wartime tax load. President Roosevelt vetoed a tax bill, the first tax bill ever to be vetoed by an American President. At that time President Truman, then Senator Truman, joined Senator BARKLEY in denouncing the veto message and helped by his vote to override that veto.

Mr. Speaker, America was once famous the world over as the land of opportunity, the land where there was no limit to the progress that might be made by the intelligent, industrious, and ambitious youth. We boasted of our Henry Fords and our Thomas Edisons who started with almost nothing and built up industrial empires. Under our present income-tax structure such advancement has been rendered virtually impossible. Our Federal tax system must be completely overhauled with a view to once again making it possible for ambitious young men to achieve. It is the ambitious young man with an idea that builds industrial empires, provides thousands of jobs for the workingmen of America, increases productivity per man-hour, and makes possible the highest wage scales and the highest standard of living in the world. He cannot do this, however, without a favorable tax climate that permits growth and expansion. It is the responsibility of Congress to provide that favorable tax climate. Not until we do so will America deserve again the title "the land of opportunity."

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Nebaska [Mr. CURTIS] is recognized for 60 minutes.

SYNTHETIC RUBBER AND OUR AGRICULTURAL ECONOMY

Mr. CURTIS. Mr. Speaker, in my remarks today I want to deal with our synthetic-rubber industry and its relation to a sound agricultural economy in the country. However, before going into that phase of the matter, I want to again call attention to the importance of our synthetic-rubber industry to our national security. This has been well stated in an editorial appearing in Collier's on June 21, 1947, entitled "Watch Those Rubber Plants." The editorial is as follows:

As we can hardly recall too often for our own good, the Japanese came near winning the recent war by cutting the United States off at one murderous swoop from the Far East sources of some 90 percent of its natural-rubber supply.

It if hadn't been for Bernard M. Baruch, William M. Jeffers, and the furious energy and exuberance of United States industry, we'd have had a transport break-down on both the fighting and the home fronts, and that break-down in all probability would have lost the war for the Allies.

As things turned out, we built an enormous synthetic-rubber industry — about $750,000,000 worth—and this apparatus, with a peak capacity of more than 1,000,000 tons a year, kept our fighting forces and the home front adequately supplied.

All that being history, producers of natural rubber are now doing their best to persuade us to scrap our synthetic equipment and go back to the natural article entirely. Propaganda is being warmed up; attacks are being made on us for alleged cruelty to the Far East rubber producers; and so on and so forth.

To all this yatata-yatata, our reaction should be and continue to be: "Ah, nuts."

There is no objection that we know of to our taking reasonable quantities of natural rubber. It would be foolish just to boycott the stuff, thereby injuring the Far East rubber people unduly and, more to the point, also hurting our own Far East export trade.

But as for scrapping our synthetic-rubber apparatus, let's not. Let's put some of it in stand-by condition, ready to get going again at any moment; but let's also keep a goodly percentage of it turning out rubber for the United States and other markets, and improving synthetic-rubber techniques as time goes by.

To ask us to take a slash at our own throats by risking another sundering of oceanic rubber life lines is the height of impudence, and we should rebuff all such suggestions with the scorn they deserve.

In order to provide rubber for national defense and to provide a market for the products of the farm, I have introduced H. R. 2704, the details of which will be discussed later in my remarks.

I am indebted to Dr. Leo M. Christensen, director of research and engineering of the National Agrol Co., of Lincoln, Nebr., for the research, facts, figures, formulas, and many of the proposals hereinafter stated. The Nation's scientists are pointing the way to a better day for American agriculture. Dr. Leo M. Christensen has done as much or more in this field as any American.

THE CASE FOR FARM-PRODUCED SYNTHETIC RUBBER

During World War II the American farmer supplied the raw materials for the manufacture of approximately half the total production of synthetic rubber, which reached a value practically double the prewar importation of natural. That is, the American farmer supplied the raw materials for almost as much rubber as was previously imported. No other technological development of the war period was more important in practical results, not even the production of the atomic bomb. Furthermore, this accomplishment may have fully as great future significance as that of atomic energy. The two developments are of similar fundamental character, since both depend upon atomic fission and both establish a new basis of distribution of the world's resources. In the case of rubber, the energy release takes place in the sun, supplying radiant energy for the photosynthesis of starch, which in turn is converted to alcohol, from which the butadiene is made for polymerization with styrene to yield rubber; and since such radiant energy reaches all parts of the world with little partiality, there can be not monopolistic control of its use.

Agricultural interests are now faced with the problem of keeping this new business. During the war, price was not a factor; only the rate of production and the ability to increase this rate fast enough to meet the war requirements was of importance. Now price has become the primary factor, and the alcohol-synthetic rubber is not able to meet the competition of natural rubber from abroad or of synthetic from petroleum. Solution of this price problem is, therefore, a basic task for these agricultural groups.

But this is not simply a farmer's problem, or a problem of that segment of the synthetic rubber industry that is based upon the use of farm crops. All elements of the national economy will be affected by the answer finally developed. Because of the very broad economic significance of this situation, which will be analyzed more fully in the following, it behooves all interests, business, industrial, financial, agricultural, and technical alike, to give careful consideration to the factors involved and to the impact upon the total economy of the plan finally developed. Only in its superficial aspects is this a farm problem; actually it is a national problem of the first order.

FARM SURPLUSES ENDANGER THE NATIONAL ECONOMY

American agriculture underwent a profound technological revolution during the war years. Under the inducement of high prices, farmers put to work the achievements of a quarter century of agricultural research at a rate no one had thought possible. New crop varieties, new cultural methods, new fertilization techniques, and many other production improvements that had been developed in the agricultural experiment stations, Federal laboratories and in privately financed research, had lain practically dormant for a long time, but with high prices, labor shortage, and patriotic appeal for more production, the farmer put them to use on a large scale. The result is told in the data on farm production. Total tonnage of farm products increased 36 percent during the war years, on somewhat smaller cultivated acreage with less manpower. Machinery shortages and other factors prevented the full application of the new methods, and during the next few years further increases can be expected. This technological trend is, of course, irreversible; there can be no return to the lower efficiency of prewar days.

Farm-crop production before the war was something like 12 percent above that which the then existing markets could absorb at price levels that would avoid an agricultural depression. Then the present productive capacity is 48 percent greater than that which the markets can take unless there has been a change from prewar market conditions.

There is presently a much larger market for American farm crops than existed before the war. This is wholly the result of the determination to feed all the hungry peoples of the world, and during the past year about one-third of the wheat crop and large amounts of other foods were exported. No thinking American believes that this program will long continue. First, we cannot afford such a large degree of charity, and, second, it will be doing harm to the economy of all other nations, the recipients of the present charity included. This fact is fully recognized by the men who are charged with planning the international marketing of farm products. Thus, in the International Wheat Conference held in London, it is the expectation of all concerned that at the best American agriculture will supply to the buyers in international markets practically the same amount of wheat that was sold there in the prewar period. Actually, the market may shrink, because of the programs for restoration and expansion of agricultural productivity in other countries, which the United States is quite properly encouraging.

The domestic market for farm products, which has always greatly overshadowed the foreign sales, has not profoundly changed. Actually, it may have undergone some small shrinkage. Thus, the important gains made by rayon and nylon in tire construction have certainly reduced the market for cotton. Improvements in the preservation, transportation, and marketing of perishables, including the greatly expanded use of quick freezing, dehydration, air transportation, and refrigeration, certainly will reduce the large loss of foods between producer and consumer. Only the increase in population is working toward a greater domestic consumption of farm products, and this is so small that its effect will undoubtedly be overshadowed by other factors.

It has been argued by some that destruction of trade barriers will enlarge the demand for American farm products abroad. This is not in any way supported by facts, however, and it seems highly improbable that any such result can be realized. When the list of our imports

is examined, it is perfectly evident that in the prewar period the bulk of the imports into the United States consisted of farm products or of materials derived from them. It is only necessary to cite sugar, rubber, newsprint, vegetable oils and industrial starches to indicate the large volume of such imports. Exports were largely manufactured goods. That is, if perfectly free international trade were set up, the United States might expect to export more manufactured goods and import more farm products, because while American manufacture is fully able to compete with that of other countries, American agriculture is not, unless there is a reduction of living standards to the peonage of foreign countries, which is not now and is not likely to be the national policy.

There is now quite general agreement, and hence no need to argue the point, that if there should be a large deflation in farm-produce prices there will inevitably be a corresponding general deflation. If the deflation should reach depression proportions, a national depression will certainly follow, with widespread unemployment. While industry and labor might in time adjust themselves to the new economic order, the Federal Government cannot, because of the large public debt, and therefore the entire national economy could collapse. There is common agreement that only by maintaining something approaching present price levels can the Federal debt be handled. Certainly it would become unmanageable should there be a depression like that of 1930–35.

In the prewar agricultural program crop production was reduced by paying the farmers to retire acreage. In addition large amounts of farm products were dumped abroad or were given to low-income groups through the stamp plan. To obtain a reduction in acreage and to handle the supplementary dumping program cost an average of around $800,000,000 per year. Then to handle a surplus four times as large would cost $3,200,000,000 per year at the old price levels and at least twice as much with price levels as of today.

It certainly will be wise to retain some of the features of the prewar farm program, including loan provisions, storage against enlarged demand or reduced production, and encouragement of soil conservation, but the negative plan of curtailing production should be avoided unless all other efforts fail to prevent a price collapse. This was recognized in a resolution by the Wheat Growers National Committee adopted in its meeting in Omaha, Nebr., in February 1947, in which it was advocated that all other means to prevent a price collapse be used before production curtailment is invoked. It seems obvious, in view of the cost of such a program and its negative character, that production control should be employed only as a last resort.

It was this kind of reasoning that lead to the publication of the editorial Chemurgy or Chaos in Chemical and Metallurgical Engineering for November 1945:

CHEMURGY OR CHAOS

American agriculture emerged from this war geared to produce 30 to 35 percent more than before Pearl Harbor. * * * We have had a veritable revolution in production. This revolution is not reversible. We neither want nor can we go back to prewar days. Wartime production levels in agriculture will tend to persist regardless of economic conditions. Total farm production is responsive to increased prices or income. But, once expanded, it is not quickly responsive to low prices or depressed conditions.

Thus an official spokesman of the Department of Agriculture talked to the National Retail Farm Equipment Association in St. Louis on October 23, frankly admitting that we can expect to have large surpluses of agricultural materials offered on the market regardless of domestic demand. For this there can be only one answer. New uses must ultimately be developed. Only for a time will the surplus find a market abroad or be used through UNRRA for relief. After that there will be either chemurgy or chaos.

Chemical engineeers must prepare to apply new science for the conversion of these farm surpluses into nonfood products in large quantity or the agricultural population of America will suffer sadly. There seems to be no escaping this responsibility, because we know that the official interpretation is correct. Farm producers will not turn back to low yields or small crop practices. 'It is a serious prospect both for agriculture and for chemurgy.

Synthetic rubber is important in this connection, not so much because it can utilize up to 100,000,000 bushels of grain per year, but because any plan or program that will open the door for a large scale farm-produced rubber manufacture will automatically provide many other new markets, because alcohol, butylene glycol or other intermediate made from farm products is of interest in many other chemical industrial operations at prices they can bring in the rubber industry. This matter will be more adequately treated in a subsequent section of this report.

THE VALUE OF ALCOHOL IN THE SYNTHETIC-RUBBER INDUSTRY

Perhaps in discussing this matter, it would be well to define a few of the terms that will be used:

GR–S is a general-purpose synthetic rubber. This definition does not preclude a special-purpose rubber from becoming a general-purpose rubber.

Butadiene is one of the principal components of GR–S, and is obtained from petroleum hydrocarbons or alcohol. It is a gas at ordinary pressures and temperatures, but is easily liquified by cooling.

Butylene is a petroleum derivative used in producing butadiene.

Styrene is one of the principal components of GR–S, whether it is made from petroleum or alcohol. It is a colorless liquid which is made from benzol and ethylene.

The Rubber Reserve Company, in its report on the rubber program 1940–45, issued February 24, 1945, presented data on the operations of the synthetic program. Included are cost data on the manufacture of butadiene from butylene and from alcohol, and on the cost of rubber from that butadiene. Dr. Christensen has analyzed this report and I want to give you certain conclusions drawn by him.

In this report the costs are stated in terms of a pound of resultant GR–S rubber. Styrene cost is assumed constant at $0.011 and conversion at $0.045 per pound of GR–S, a total of $0.056 per pound. In stating the cost of producing GR–S from each source, capital charges are not given, but they can be calculated from the investment values which are supplied. The investment in the butylene-butadiene rubber industry is given as $544 per annual ton, and if a total capital charge of 20 percent is assumed to cover insurance, taxes, interest, and amortization, which these war plants did not pay, this cost becomes $= \frac{\$544 \times 0.20}{2000}$ $0.054 per pound of GR–S.

The investment in the alcohol-butadiene rubber industry is given at $292 per annual ton, which with a capital charge of 20 percent, becomes $\frac{\$292 \times 0.20}{2000} =$ $0.029 per pound of GR–S.

The costs of butadiene from butylene and from alcohol are given without capital charges as shown in table 1, and costs of GR–S, involving the styrene and conversion costs above are also included in this table.

TABLE 1.—*Cost of butadiene and of GR–S made from alcohol and from butylene at several price levels*

	Cost of butadiene per pound GR-S, without capital charges	Cost of GR-S per pound, including capital charges
Alcohol cost, per gallon:		
$0.15	$0.058	$0.143
$0.20	.072	.157
$0.25	.085	.170
$0.30	.098	.183
$0.50	.152	.237
$0.90	.262	.347
Butylene cost per gallon:		
$0.04	.038	.148
$0.06	.042	.152
$0.08	.046	.156
$0.10	.051	.161

From these data, by graphical analysis, the competitive values of alcohol and butylene can readily be calculated. These as shown in table 2.

TABLE 2.—*Competitive values of butylene and alcohol for butadiene manufacture*

Butylene value per gallon delivered	*Alcohol value per gallon delivered*
$0.050	$0.188
.060	.197
.070	.204
.080	.211
.090	.219
.100	.227
.110	.235
.120	.242
.140	.250

Various estimates have been presented forecasting the cost of butylene in the future. Obviously there is no single cost. In one plant it may be a minor byproduct whose value may be almost any figure, depending upon the accounting system. In another plant it may be a much more important product and have an entirely different value. Because of its value in aviation fuels, it does not seem likely it will ever sell at less than $0.12 per gallon, and it may bring $0.14 per gallon. The competitive value of alcohol is thus substantially $0.25 per gallon.

The price data for both butylene and for alcohol are on the basis of delivery at the butadiene plant. In both cases transportation charges must be added and it is reasonable to consider that they are equal. Thus the prices have the same comparative values at the point of origin, in which case the GR–S rubber made from them will cost $0.17 per pound plus a transportation charge estimated at $0.05, to give a total GR–S cost of $0.22 per pound, which was the average prewar cost of natural rubber. Presumably the postwar price will not be less.

It is not a simple matter to arrive at a figure for the cost of alcohol made from farm products. First, there is no single cost applicable to all plants at any one time. Thus, during the war the plants selling alcohol to the Government on a cost-plus basis charged prices ranging from 59 cents to $1.64 per gallon, with grains costing substantially 2 cents per pound. This is, of course, a reflection of the high degree of obsolescence in the industry. In the event of a long term program, it is reasonable to assume that all participating plants will equal or slightly better the performance of the best unit of the war program, and can sell alcohol at not over 60 cents per gallon with grains at 2 cents per pound, which is 35 cents per gallon above its competitive value.

But grain prices are today 2½ cents to 3 cents per pound, and the most efficient of the present plants must charge 75 cents per gallon for its alcohol. The average alcohol price is today 98 cents per gallon, which is again an indication of the extremely low efficiency in many of the plants. That is, if present grain prices prevail, the price disadvantage is 50 cents per gallon in the best of present plants.

No one believes that grain prices will long continue at present levels, but what will be the future price is a hazardous guess. Present parity price for corn is $1.32 per bushel calculated to the major corn area, and this rises or falls with the general economic condition. During the next year or two it may fall, perhaps to $1 per bushel. Artificial price support probably will be invoked to hold grain prices at something like 1½ cents per pound, or 84 cents per bushel for corn, but there is a general opinion that prices may decline to lower levels.

This consideration shows how difficult it is to arrive at any idea of the price differential that must be overcome. It is currently $0.50 per gallon of alcohol, $1.25 per bushel of grain, or $0.136 per pound of rubber. With grains at around $0.015 per pound, which guessing indicates as the probable maximum in the near future, the price disadvantage becomes not more than $0.20 per gallon of alcohol, $0.50 per bushel of corn, or $0.055 per pound of rubber. If grain prices decline to around $0.01 per pound, which many think is likely, the price disadvantage drops to less than $0.10 per gallon of alcohol, $0.25 per bushel of corn, or only $0.028 per pound of rubber. For the purposes of the present analysis, it will be considered that the price disadvantage is $0.20 per gallon of alcohol, $0.01 per pound of grain, or $0.055 per pound of rubber, and this seems a reasonable and logical basis for starting the development of a program.

Four general methods for overcoming this price disadvantage have been proposed in discussions concerning this matter. These proposals are analyzed in the following sections.

FIRST PROPOSAL—MANDATORY LEGISLATION

In this procedure national legislation would simply require that all processors buy some specified amount of rubber derived from farm products produced within continental United States. Perhaps the alcohol and the butadiene manufacturers and others in the chain converting the farm product to rubber would be required to operate under some profit limitation or under price ceilings.

It is argued that this is a simple and highly effective procedure and that it requires almost no expenditure of public funds. With only 6 to 8 pounds of rubber per tire, the motorist would pay only $0.33 to $0.44 more per tire if all the rubber were made from alcohol at the assumed price, and this differential would decrease as grain prices return to more nearly normal levels. This seems almost insignificant when considered on this basis, but it amounts to $55,000,000 increase per 500,000 tons of rubber, or about a year's supply. If only half the total rubber were made from alcohol, the price advance would, of course, be half as large. As grain prices return to more nearly normal, the cost of such a program would decline, probably to about one-half the above levels.

Mandatory use of specified materials has long been common in European countries. Thus alcohol produced from farm crops was used in motor-vehicle fuels in specified amounts under such legislation, the objectives being the disposal of crop surpluses, the greater development of national security, conservation of natural resources, and the improvement of international-trade balances. In some countries the amount of alcohol was varied from year to year, to take into account the variations in crop production.

It is impossible to make an adequate economic analysis of this procedure because of the intangible factors involved. But it is obvious that above some alcohol price level such a plan is not economically sound, and it seems very doubtful that such a program can justify more than the price differential of $0.055 per pound calculated as presently effective.

In European countries where people are accustomed to rigid legislative controls, such mandatory use of farm crops has caused little or no concern. But the American people are not psychologically situated to accept such a program in a similar acquiescent manner. All sorts of evasion, blackmarketing, and other undesirable results would certainly arise.

SECOND PROPOSAL: DIFFERENTIAL TAXATION

By the application of an import duty on natural rubber and an internal tax on rubber derived from petroleum, with alcohol-produced rubber exempt from such tax, the price disadvantage can be eliminated. A tax differential of $0.055 per pound would equalize prices now or soon possible and this could be reduced, perhaps to $0.028 per pound, as grain prices return to something like normal.

Such a program would have the effect of making all rubber cost the consumer the price of rubber from alcohol, regardless of the percentage of rubber made from it. That is, it would increase the cost of rubber to the public by some $55,000,000 per 500,000 tons now and probably not more than one-half of this value in the near future. The Federal Treasury would be enriched by the taxes or duties collected on rubber not derived from domestic farm crops.

There is another aspect of this situation that deserves attention. For reasons never made public, the alcohol-rubber industrial program was set up on an inefficient geographical basis. The center of grain production in the United States is practically at Omaha, Nebr., and this is the area where alcohol can be made at lowest cost because this is where grain is cheapest. But the major facilities for converting alcohol to butadiene are at Institute, W. Va., while the major rubber fabricators are at Akron, Ohio. The freight charges in this uneconomical arrangement are approximately 5 cents per pound of rubber. If private industry carries on this operation, such inefficiency will sometime be eliminated by relocation of the alcohol-butadiene plants.

The differential tax program is well supported by precedent. Railroads were built under incentives supplied by Government, many industries got their start behind a wall of tariff protection, and in other ways infant industries have been given a helping hand by Government.

There is always the danger that the infant will never acquire adult stature and be able to stand on its own feet. If at the time these artificial props are supplied it is also stated that at some definite time they will be removed, the tendency for the recipient to avoid reaching his maturity can be curbed. Such provision can be made in the differential tax law. Thus a tax differential might be set as 5½ cents per pound for a period of, say, 4 or 5 years, then reduced to 2⅘ cents per pound for 2 years, and finally to nothing. The Congress would reserve the right to revise the schedule as future events might require.

Such a program is sound when there is definite assurance of improving efficiency in the industry to be encouraged. This matter is analyzed in a subsequent section of this report and data are presented showing that very large reductions in the cost of making alcohol from grains and other starchy substrates are entirely feasible. Laboratory research has developed new processing methods that have only to be carried through the pilot plant before they can be applied to commercial production.

Differential taxation is undoubtedly less objectionable from a psychological standpoint than is mandatory legislation, but it may still run into some degree of opposition from consumer groups and from the rubber and petroleum industries. Opposition by the British-Dutch rubber cartel can, of course, be counted as certain. If the plan is set up on a self-liquidating basis, however, such opposition loses much of its effect.

In order that the method of a tax differential might be placed before the Congress, I have introduced legislation which would place a manufacturers' tax upon rubber sold by the manufacturer or producer with the exception of rubber that is manufactured or produced in the United States from butadiene, which is produced from grain alcohol. That bill is known as H. R. 2704, which is as follows:

H. R. 2704

A bill to amend chapter 29 of the Internal Revenue Code

Be it enacted, etc., That chapter 29 of the Internal Revenue Code is amended as follows:

(a) Insert after section 3401 a new section reading as follows:

"SEC. 3402. Tax on Rubber.

"(a) Manufacturers' tax: There shall be imposed upon rubber sold by the manufacturer or producer a tax of 7 cents per pound.

"(b) Definition: For the purposes of this section, rubber shall be defined as in section 3400 (c) except to the extent that such rubber is manufactured or produced in the United States from butadiene which is produced from grain alcohol."

(b) Insert after section 3425 the following new section:

"SEC. 3426. Rubber.

"Rubber, including synthetic and substitute rubber, 7 cents per pound."

(c) Delete the numeral "3425," and insert in lieu thereof "3426" before the word "inclusive" in section 3420.

(d) Delete "and" before the numeral "3425" and insert after such numeral ", and 3426" in section 3430 (c).

(e) Delete the numeral "3425" and insert in lieu thereof "3426" wherever such numeral appears in section 3430 (d).

(f) Insert "or rubber taxable under section 3402 or section 3426" before the period at the end of section 3442.

(g) Insert "or rubber taxable under section 3402 or section 3426" after the numeral "3404" in section 3443 (a) (1).

(h) Insert "(a) rubber taxable under section 3402 or section 3426 or (b)" after "imports" in section 3444 (a) (2).

THIRD PROPOSAL: TWO-PRICE MARKETING OF FARM CROPS

This procedure has had a great deal of consideration by farm groups and was the basis for the McNary-Haugen bill, the first national legislative approach to the solution of the farm-surplus problem. That bill lacked only a few senatorial votes of passing over the veto by President Coolidge. Provision was made for marketing basic crop surpluses at lower than the standard domestic prices for consumption in other channels. Synthetic-rubber manufacture could have qualified very well as such an outlet.

In the original McNary-Haugen plan the farmers paid the bill for such disposal, and there was a minimum drain upon public funds. A smilar basic plan is provided in section 32 of the 1938 AAA amendments, but the cost of such disposal is paid from an allocation to the Secretary of Agriculture of 30 percent of the customs receipts, which provided a total of around $100,000,000 per year for this purpose. But so far as is known the only use that was made of this provision was the financing of the stamp plan for gift of surplus foods to low-income groups and dumping surplus grains abroad. It is definitely known that at least three proposals for diversion of surpluses into chemurgic use at prices considerably higher than those obtained on foreign sales were refused by the Department of Agriculture in 1938 and 1939.

The two-price system supplements the storage and loan provisions of the prewar farm program in an excellent manner, and, keeping in mind the need to maintain good relations with other farm product exporting nations, use of the surpluses in domestic industry is far better than dumping it into world markets. There are the additional advantages that domestic chemurgic industries return to the land all the elements of soil fertility present in the crop. Synthetic rubber represents only the carbohydrate of the farm crop processed, which is wholly obtained from the atmosphere by photosynthesis.

As seen above, grains presently have a low value for alcohol manufacture if the price must be reduced to a freely competitive level. About 35 to 40 cents per bushel of corn is all that the present alcohol manufacturer could pay if he used present processing methods. But as will be noted later, this situation can be very profoundly changed by application of new processing methods which research has developed, but which still must be put through a pilot plant stage before they can be commercially utilized.

Two-price marketing is commonly employed in industry. Thus, a chemical manufacturer produces only one grade of magnesium sulfate but sells small amounts as a pharmaceutical and fine chemical at a high price, and larger amounts for inferior uses at a much lower price. Steel products are similarly marketed at several basic price levels, and freight rates vary widely with the type of commodity hauled and with origin and destination. It is sound basic policy to sell into each market at the price that market can pay rather than let the most inferior market set the price for all, as has been the system in farm crops marketing.

FOURTH PROPOSAL: FREE COMPETITION THROUGH RESEARCH

The three proposals previously described are based upon artificial support for the manufacture of synthetic rubber from farm products. Similar support may be extended to the manufacture of other chemurgic products from farm crops. Although these artificial props may be justified upon the basis of certain broad economic and social objectives, there is no question that if it is possible to avoid their use through improvement in the efficiency of the manufacture of these chemurgic products, this would be a great deal the more desirable procedure.

There is a further matter to be considered in this connection. As previously pointed out, it is far easier to justify the establishment of artificial support for these operations at the present time if there is a chance that some day such props will not be needed than would be the case if there was never any hope that such industries could stand on their own feet. In connection with this fact, it was previously stated that whatever legislation may be passed for the artificial stimulus of synthetic-rubber production from farm crops should be limited in time. That is, some definite terminal facility for such support should be provided in the original legislation, so that all of the groups participating in such activity would clearly know the date upon which they would have to have their operations so organized that they would carry on without legislative help.

Although the manufacture of alcohol from grains and other farm crops is one of the oldest, if not the oldest organic chemical industry, it is in a very poor state of technical development and the costs of manufacture are excessive. Research in this industry has been notably weak and there has been no important technological change in many years. The yields of alcohol obtained are considerably below those that have long been known to be theoretically possible, byproducts recovery is incomplete and inefficient, the enzyme-containing matter used to convert the starch to fermentable sugars is far too expensive, and factory operating charges are excessive.

Research during recent years has supplied the answers to the technological questions concerning the possibility of improving this situation. Such research is, however, yet to be carried through a pilot plant scale operation, before all of the engineering data are available for the design of such commercial scale facilities. There is no question that such a pilot plant investigation will supply these engineering data nor is there any question that the yields obtained in the laboratory can be fully duplicated, both in the pilot plant and in the commercial installation. It must be emphasized, however, that this pilot plant investigation must yet be completed before commercial use can be made of the new processing methods. It is also obvious that cost estimates presented in this report are, after all, only estimates, even though they are based upon entirely sound reasoning. Actual use must be made of the processes, at least on a pilot plant scale, before more accurate data can be supplied. Since, however, the principal benefits of the new processes are the results of improvements in yields of alcohol and byproducts, and since there are practically no uncertainties about obtaining such yields in the commercial plant, the estimates presented in table 3 which has been supplied by Dr. Christensen, are quite dependable for the purposes of the present analysis, and clearly indicate what can be done by adopting this new processing technique.

There is no need in this report to present a detailed technical discussion of the means by which the production of alcohol from grains and tubers can be put upon a more efficient basis. It is, however, proper in this report to discuss the main points of diversion from orthodox in order that the cost data of table 3 may be more fully understood. This explanation is given in the following outline:

First. It is obvious that one of the major costs in present processing is the malt required to supply the enzyme needed to convert the starch to sugars fermentable by yeast. The malt must be made from the highest quality of

barley and the process requires about 8 days for the production of high-quality malt. There is a very considerable loss in weight and the cost of manufacture is high. In the new process, bran is removed from the grain to be processed and a selected mold is grown upon it, yielding mold bran in 36 hours that is at least three times as effective as is malt. The manufacturing costs given in table 3 are based upon pilot plant operations and assume that this mold bran will be produced in the alcohol plant in which it will be used. It is not possible to obtain this degree of economy if the mold bran is made in a separate plant under separate administration, because of the transportation and handling costs, the cost of drying the product for shipment, and the duplication of administrative charges.

Second. In orthodox processing there is a large loss of starch decomposed to carbon dioxide and water. This loss normally runs about 25 percent of the total starch charged to the process. That is, the alcohol yield obtained is not now more than about 75 percent of that theoretically possible. This loss is the more serious because not only was the raw material bought at a good price, but before it was lost it actually had to bear a great deal of the factory operating charges. In the new process this loss is avoided by cooking at an acid reaction and then instantaneously cooling to the temperature required for optimum activity of the mold bran which is employed for the final conversion. In order that this combined acid-enzyme saccharification may be used effectively, it is essential that most of the bran and the fat content of the grain be removed, because if they are not, this process yields toxic substances which interfere in the subsequent fermentation. By this means, the alcohol yield becomes about 90 percent of that theoretically possible and 20 percent greater than that obtained by orthodox methods.

Third. As previously noted, it is essential that the bran and fat be removed from the grain before mashing. The bran is removed by the usual milling operations and the cost of such processing is small. The fat content is removed from this grain by use of a simple solvent-extraction system which recovers at least 90 percent of the fat content of the grain. Present orthodox dry milling recovers only about one-fifth of the fat content of corn and cannot be applied to other grains. Present orthodox wet milling requires a very expensive installation and recovers only about one-half the total fat content of corn and cannot be applied to other grains. With vegetable oils at their present high prices, this improvement in fat recovery has great economic significance.

Fourth. The new process uses very much higher mash concentrations than are applied in orthodox processing. The steam consumption is greatly reduced and the cost of the plant installation is proportionately smaller. The plant operations have been simplified to a point where the cost of labor required for operation is markedly reduced. All of these are reflected in a considerable reduction in plant operating charges.

In table 3 are presented data on the costs of making alcohol by orthodox methods and by the new process. This process is covered by a group of patents assigned to the National Agrol Co., an organization set up by the inventors who have devoted nearly 15 years to its development. National Agrol Co. offers this process to manufacturers on a nonexclusive licensing basis at a royalty charge which is less than 5 percent of the savings its use provides. The process will be put through the pilot plant stage in a new unit under construction at Lincoln, Nebr.

In this table the yield data are those from comprehensive laboratory operations. The factory operating costs are based upon data from several present day alcohol plants, with extrapolation to the Agrol process and to other general economic levels based upon logical estimates. It is believed that the data are dependable and show with reasonable accuracy what may be possible in the near future in the way of more economical and efficient alcohol manufacture.

This table 3 referred to and prepared by Dr. Leo M. Christensen, the director of research for the National Agrol Co., is as follows:

TABLE 3.—*Estimated comparative costs of grain alcohol made by orthodox and Agrol processes at 5 general economic levels*

	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol	Ortho	Agrol
Charges:										
56 pounds of grain	$0.60	$0.60	$0.90	$0.90	$1.20	$1.20	$1.50	$1.50	$1.80	$1.80
6 pounds of malt	.24	-------	.30	-------	.36	-------	.42	-------	.48	-------
Manufacture of 2 pounds of mold bran	-------	.02	-------	.02	-------	.03	-------	.03	-------	.04
Steam, power, and water	.14	.08	.15	.09	.16	.10	.17	.10	.18	.11
Labor and supervision	.11	.05	.12	.06	.13	.07	.14	.08	.15	.09
Capital and maintenance	.07	.04	.08	.04	.09	.05	.10	.06	.10	.06
Insurance, bonds, and taxes	.06	.04	.06	.04	.07	.04	.08	.05	.08	.05
Total charges	1.22	.83	1.60	1.15	2.01	1.49	2.41	1.82	2.79	2.15
Byproduct credits:										
18 pounds dried residuals	.24	.24	.36	.36	.48	.48	.60	.60	.72	.72
0.5 pound oil	.05	-------	.08	-------	.11	-------	.14	-------	.16	-------
2 pounds oil	-------	.21	-------	.32	-------	.44	-------	.54	-------	.65
Total byproduct credit	.29	.45	.44	.68	.59	.92	.74	1.14	.88	1.37
Net cost of 2.65 gallons alcohol	.93	-------	1.16	-------	1.42	-------	1.67	-------	1.91	-------
Net cost of 3 gallons alcohol	-------	.38	-------	.47	-------	.57	-------	.68	-------	.78
Net cost of 1 gallon alcohol	.35	.13	.44	.16	.54	.19	.63	.23	.72	.26

Orthodox process: Cost of 1 gallon alcohol = $0.11 + 0.35 × cost of 56 pounds of grain.
Agrol process: Cost of 1 gallon alcohol = $0.06 + 0.11 × cost of 56 pounds of grain.
To provide for marketing expenses and other indirect charges, and to yield a reasonable profit, alcohol should sell at from $0.06 to $0.10 per gallon above the costs shown, depending upon the plant capacity, its location, and the type of business management. In some locations dry ice can be produced and sold to yield an additional net credit of from $0.02 to $0.03 per gallon, giving effect to the seasonal character of this commodity

THERE ARE OTHER LARGE MARKETS FOR ALCOHOL

As previously noted, the synthetic rubber program is especially interesting because it can easily be the pattern for the establishment of other chemurgic industries. This is particularly true for other markets for alcohol and fermentation chemicals generally. As previously noted, alcohol has a competitive value of approximately 25 cents per gallon for synthetic rubber manufacture. It will be shown that at this price alcohol finds many other very large present and potential markets.

In this connection it should be noted that before the war the United States made and consumed approximately 125,000,000 gallons of industrial alcohol per year. Eighty percent of this was derived from imported blackstrap molasses and nearly all of the world's production was brought to this country for that purpose. Immediately before the war a small production of alcohol from byproduct ethylene available in petroleum refining centers was undertaken, and this operation was considerably expanded during the war period.

During the war the demand for alcohol became so great and the transportation of molasses so difficult that nearly all of the alcohol used during the war period was derived from grains. Synthetic alcohol manufacture is based upon low-cost byproduct ethylene, which is available in limited amounts. In only a few localities is there enough to justify a plant. The present production capacity of 75,000,000 gallons per year is practically the limit.

With the end of the war it was thought that blackstrap molasses could immediately be brought to the country in the old accustomed volume. This has not been possible, however, because in the countries of origin alcohol plants were built during the war to convert the blackstrap to alcohol, which is used in place of gasoline they previously imported. There seems little inclination in such countries to return to the old status. Furthermore, there is now going into use in these countries a new process for the manufacture of cane sugar which greatly increases the yield of sugar and practically eliminates the production of byproduct molasses.

Expansion of synthetic alcohol manufacture has met with the difficulty of competition for the limited supply of byproduct ethylene. Styrene, one of the ingredients of synthetic rubber, requires such ethylene in its production, and new plastics based upon styrene are being made in rapidly increasing amounts. Other chemicals, notably for plastic manufacture, are taking more and more of this ethylene, and there is a serious question whether the present volume of synthetic alcohol manufacture can long be maintained. Of course, the rapid in-

creases in petroleum prices are also working against expansion in this industry.

Thus, the market for grain alcohol has expanded by virtue of failure of its competition. A large percentage of the industrial alcohol being produced is now made from grains, and the normal demands for industrial alcohol are larger than they were prewar. The present price of industrial alcohol is 98 cents per gallon, as compared with the 22½ cents per gallon that was typical of the prewar period.

But there are many more potential markets that are far more important than all of the present markets or synthetic rubber combined. The largest of these is provided by the automobile engine accessory known as the vita-meter. This accessory was used with great success on the large aeroplane engines during the war. It automatically injects alcohol-water into the intake manifold when conditions are favorable to detonation. By its use the fuel which is admitted to the engine is automatically adjusted in antiknock value to meet the changing conditions of speed and load.

Thompson Products Co., manufacturer of this supplemental fuel system, has announced its intention to market this unit for installation on present automobile, truck and tractor engines. On the basis of many tests it has been established that the average automotive engine so equipped, uses substantially 50 gallons of alcohol per year. If half the engines now in use were so equipped, substantially 1,000,000,000 gallons of alcohol per year would be required. To find this market, alcohol must sell at the producing plant at about $0.25 per gallon.

This development is of particular interest in view of the fact that this country is faced with a most serious shortage of lead. The tetraethyl lead previously used to build the antiknock value of gasoline cannot now be employed in the amounts necessary. Furthermore, it may be impossible to continue the use of tetraethyl lead for this purpose in any amount because lead is such an essential material in other uses.

It should also be pointed out that alcohol is a fuel for V–2 type rocket and since this type of rocket will undoubtedly be used on a large scale in future warfare, it is essential to national defense that this also have available an adequate alcohol supply.

Butyl alcohol, used in lacquer solvents and for many other purposes in chemical industry is currently selling at nearly three times its prewar price. Its manufacture can easily utilize large quantities of grain. Butylene glycol, a chemical useful in organic synthesis and as a permanent antifreeze is readily produced from grains. Lactic acid, which was imported before the war, and which is now of interest in making some new plastics, can be made in the same plant and from the same raw materials that are employed to make industrial alcohol, butyl alcohol, or butylene glycol.

No one can accurately forecast the possible magnitude of the grain fermentation industry, but there is good reason to expect that it can easily exceed 300,000,000 bushels of grain per year and might soon reach a value of double this volume.

In this connection it must also be pointed out that the United States has always been short of proteins needed for a balanced livestock-feeding program and of vegetable oils that are byproducts of this fermentation industry. There has never been, nor is there now in sight, any surplus of these proteins and oils. Thus the chemist has always maintained that there has never been nor is there in sight an actual grain surplus; only the grain starch is surplus. All of these fermentation chemicals are made from starch and their manufacture does not destroy grain. It only converts grain to materials badly needed in the national economy.

Farm crops are presently in a strong competitive position in the fermentation industry. This industry is faced with the necessity of changing its operations because of the failure of its accustomed raw-material supply. These fermentation chemicals will in the future be made from petroleum, coal, or farm products and a choice will soon be made. Once a pattern is established, there will be a strong tendency to follow it and if agriculture wishes to gain this new business it must take action at a very early date. Failing to do so, it may forever lose the opportunity now before it.

(Mr. CURTIS asked and was given permission to revise and extend his remarks and include certain tables, formulas, excerpts, editorials, articles, and copy of a bill.)

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on the bill (H. R. 4075).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SPECIAL ORDER GRANTED

Mr. HAYS. Mr. Speaker, I ask unanimous consent that after the conclusion of special orders heretofore granted and the disposition of business on the Speaker's desk I may address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DIRKSEN] is recognized for 5 minutes.

TIME TO REAPPRAISE UNITED STATES-SOVIET RELATIONS

Mr. DIRKSEN. Mr. Speaker, tomorrow we observe freedom's birthday.

In that day of social and political upheaval, Thomas Paine wrote:

> Had it not been for America, there had been no such thing as freedom left throughout the whole universe.

Freedom is the reason for America. Freedom is the purpose of America. "In every generation we must—and we have—sought to rediscover and retrieve freedom at home and abroad."

It is time to lift our eyes. It is time to reassess our purpose.

It will soon be 2 years that the world-devastating conflict to end tyranny and assure all people and all nations of the "four freedoms," came to an end. While it might be too much to expect that complete world tranquillity would be restored after the elapse of 2 years, it was right and proper that we should expect substantial progress along the road to peace and freedom. Our hopes have not materialized. Our expectations have been frustrated.

Our good intentions have been maligned. Our generosity seems to have earned only ill will. Our candor has been met with stubbornness. Our insistence on self-determination for humble nations and peoples has been sabotaged by secret diplomacy, police techniques, infiltration, and psychological aggression. Generously have we provided out of the assets of America to soften the obstacles to peace but our generosity has been too often reciprocated with epithets, vilification, and a stubborn and selfish refusal to cooperate. The results of every effort on our part to heal the world's wounds, rehabilitate stricken lands, extend the benefits of freedom, and restore serenity are meager indeed. It would appear that war is still in progress and that its operations have merely been transferred from the military to the diplomatic front. It is time for a reappraisal of our policies and our relations with other nations.

I fully subscribe to the fact that the conduct of foreign relations is not the province of the Congress. But the expressed attitude of the Soviet Union at the Three Power Conference now in progress in Paris clearly brings the Congress into this domain.

The special dispatch to the New York Times by Harold Callender dated June 28 sets forth that—

> Mr. Molotov wanted to know the probable extent of United States aid to Europe, the terms on which it would be granted, and whether Europe could rely on congressional approval.

Perhaps it is only natural that Mr. Molotov, his associates, and the Soviet Union for which he speaks, want to know what Congress will do. It is equally natural that the Congress and more particularly certain Members of Congress want to know what Mr. Molotov and the Soviet Union propose to do.

Does the Soviet Union propose to cooperate wholeheartedly and without tongue in cheek in bringing about rehabilitation in Europe? Does the Soviet Union propose to relent its secret and aggressive efforts to subvert the democratic endeavors to establish free government in the countries within its orbit of influence? Does the Soviet Union propose to lift the Iron Curtain and truly enter into the fellowship of nations? Does the Soviet Union propose to desist from its secret policing operations in the Northern Hemisphere? Does the Soviet Union propose to cooperate in Korea and desist from its constant vilification of the American intention to establish sound, popular government in Korea?

Does the Soviet Union propose to forsake the course of concealment, deception and brutality which has been earnestly followed by it and some of its satellites? Does it propose to immediately and candidly discuss its lend-lease obligations to the United States? Does it propose to forsake the role of a spoiled child and give convincing assurances that it will cooperate to the fullest extent before complete collapse overtakes the nations of Europe?

If these assurances are not forthcoming soon, why should the Congress consider further aid to European nations at the expense of the American people while the Soviet Union tramples the liberties of weak and helpless people? More than that, why should this Nation continue the patient endeavors with a country which stubbornly, and for the sake of its own aggrandizement, continues to frustrate the effectuation of world peace?

ADJOURNMENT OVER

Mr. LOVE. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 o'clock noon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

EXTENSION OF REMARKS

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the St. Louis Post-Dispatch.

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Connecticut [Mr. MILLER] is recognized for 10 minutes.

GOVERNMENT PROPAGANDA—HOW IT WORKS

Mr. MILLER of Connecticut. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein three short articles appearing in Washington newspapers in the last 48 hours.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MILLER of Connecticut. Mr. Speaker, seldom can one find a clear-cut illustration of how the Federal bureaucrat peddles his propaganda by taking over the columns of the Nation's press. Recently such an illustration has come to light. On July 1 and 2, 1947, there appeared in various papers throughout the Nation three columns, each written and carried under the byline of a well-known Washington correspondent. While these columns were no doubt written independently of each other, each was on the same subject, each used the same arguments, each made the same charges, each worked up to the same emotional pitch, and each contained the same mixture of half-truths. In fact, each column is written around identical examples employing similar phraseology.

One of the columns written by Thomas L. Stokes was headed "Utilities' Blitzkrieg" and was carried in Scripps-Howard papers; the second, written by Lowell Mellett, was published in the Washington Evening Star and was presumably syndicated in other papers; the third, written by Marquis Childs, appeared in the Washington Post and other papers.

The subject of each of the three columns was the hearings presently being held on bills introduced by myself to amend the Federal Power Act. The hearings are being held by a subcommittee, of which I am a member, of the House Committee on Interstate Commerce. The purpose of the columns was not to report constructively on the facts being revealed by those hearings or to objectively analyze the testimony being presented by the witnesses. The sole purpose of each column was to discredit the hearings. Their means to this end was in each case identical. Each sought to discredit the work of this committee by raising emotional arguments rather than factual presentation.

I have no quarrel whatsoever with the right of these columnists to write and have published anything they desire so long as it is not offensive, immoral, or contrary to American standards of fair play and decency. I think the American public should know that not one of these gentlemen, while they write as experts on the subject, have been in attendance at the hearings; and it is clear from their writings that they have not read the transcripts, for had they done so they could have written facts and not facsimiles.

While the public interest is involved, I cannot believe that the public interest has been jeopardized in this particular case by the mental and physical laziness of these correspondents. What they have done proves the ancient axiom that "the truth will out." Truth has been served by their willingness to be spoonfed by a Government bureaucrat, for the simultaneousness of these three articles clearly reveals the writers for what they are—rewrite men for Government propagandists.

I repeat, there can be no question but that these correspondents are free to write as they choose. A different issue, however, arises when one considers the other side of the story—the position of the Government and one of its employees in all of this. The interest of good government is not served when a bureaucrat uses his talents to influence the publication of a single and distorted side of a picture. I am the first to admit that there are two sides to most questions and that the interest of good government is served by a complete appraisal of all facts on both sides of an issue. Playing up the emotional side of a story and completely disregarding the facts for the purpose of getting people to feel rather than to think is contrary to the interests of good government and is contrary to the finest traditions of American self-government. The conclusion is inescapable that the Government through one of its employees directly or indirectly inspired the writing of these columns and I do not have in mind the chairman of the Federal Power Commission.

Let us not be naive. Three separate individuals, thinking independently of each other, writing on a multiude of public issues in this day of strain and stress, just do not happen to sit down at their respective typewriters and write the same story with the same illustrations and the same conclusions on the same night.

The employee on the pay roll of the Federal Government who caused these three articles to be published simultaneously might feel proud of his achivement, for at first glance it appears to be a clever piece of propaganda work. It is not every day that a civil servant can influence the thinking of three such well-known Washington correspondents. If that employee feels proud of his achievement, I trust that his feelings for American democracy are such that he will, after a moment's reflection, realize how he has cheapened the Federal service, and free press, and the principles of self-government. I hope he feels ashamed, for he is a shameful person.

I am calling this matter to the attention of the House subcommittee of the Committee on Expenditures in the Executive Departments To Investigate Publicity and Propaganda in the Executive Agencies with the suggestion that it use its widespread powers to investigate these propaganda activities.

Mr. Speaker, in the remaining few moments I want to quote from two of these articles rather briefly. In the article appearing in the Daily News of July 1 by Thomas L. Stokes under the heading "Utilities' blitzkrieg" Mr. Stokes says:

> Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

What are the facts? The facts are a matter of record. The bills referred to were introduced on the 7th of April this year. On the 13th of April the chairman of that committee sent copies of the bills to the Federal Power Commission with request that it submit the usual report of its views on the suggested amendments. Two weeks' notice was given to members of the committee and to the Federal Power Commission that open hearings would be held on the 23d of June. Remember, the bills were introduced on the 7th of April. They talk about a sneak attack to get legislation through a committee.

The report of the Federal Power Commission was returned to the committee several days before the hearings were scheduled. As a result of the testimony presented on the 22d and 23d of June the Chairman of the Commission quite properly suggested that he needed additional time to present his case and had the hearings postponed for one full week.

They were given all day yesterday, morning and afternoon, by the subcommittee and the hearings further continued until next Wednesday that they might have full opportunity to present their full views.

In the statement of Lowell Mellett we find this interesting sentence:

> This week part of 1 day will be given to the Federal Power Commission at the urgent

request of the Commission members who discovered at the eleventh hour what was going on.

Mr. Speaker, these three articles are as follows:

WASHINGTON CALLING

(By Marquis Childs)

POWER COMPANIES' BILL

It's an ancient axiom of strategy that if you can't gain your objective by frontal attack, then take it from the rear by stealth. This is the maneuver the power companies are now undertaking through an innocent-sounding bill which thus far has almost entirely escaped attention.

What this measure does, in effect, is to repeal the most important provisions of the law creating the Federal Power Commission. At least three-fourths of the companies now regulated by the Commission would be exempted.

A parade of power company executives and lawyers have appeared before a House committee to urge immediate passage of the bill, which is sponsored by Representative WILLIAM J MILLER, Republican, of Connecticut. And while it has not been given the official stamp of approval by the Republican leadership, it might easily be slipped through in the last-minute jam that comes with the end of a session of Congress.

Witnesses for the Connecticut Light & Power Co., the Georgia Power Co., the Detroit Edison Co., and the Wisconsin Public Service Corp. were among those who wanted the bill adopted. There also were witnesses from several State utility commissions in favor of the measure, and this reveals the shrewdness of those promoting the maneuver.

The appeal is made to States' rights and State authority as contrasted to Federal authority. This sounds very well until one looks at the State commissions responsible for local utility regulation. With honorable exceptions, they are pretty hopeless.

One reason is that most States pay such poor salaries that experts qualified to do the technical job of regulation are always being lured away by high salaries offered by the utility companies. Most commissions are so inadequately staffed that the private companies are put under little restraint. The private-utility lobby in a State capital is ordinarily well-heeled, and now and then shocking cases of wholesale bribery have come to light.

To understand the significance of the current maneuver, it is important to look at the origin of Federal regulation. It comes originally out of the conservation movement sponsored by such leaders as Theodore Roosevelt and Gifford Pinchot. These men were concerned with protecting the water-power sites that were part of America's great natural heritage from wasteful and destructive exploitation.

Then, in the twenties, the private power industry began to develop on a Nation-wide scale, with power lines linking generating stations across State boundaries. In 1928, Congress ordered a comprehensive investigation of the utility industry by the Federal Trade Commission. In his annual message in December 1929, Herbert Hoover recommended reorganization of the Federal Power Commission as an independent agency to provide Federal regulation covering the interstate transmission of power which the State commissions were powerless to touch under the Constitution.

One of the sponsors of Federal regulation was the late Senator James Couzens, of Michigan. The fiery Couzens frequently blasted at power-company practices which he regarded as reprehensible. The Federal Trade Commission reported nearly a billion and a half dollars in overinflated values on utility company books—inflated values on which the average householder had his rates based.

ON THE OTHER HAND—FINDS POWER COMPANIES SEEKING RETURN TO DAYS OF SAM INSULL

(By Lowell Mellett)

As bold as any raid yet attempted on Congress is one now being undertaken by the private power companies. This is a fairly strong statement, having in mind that the insurance companies last year almost got themselves exempted from the operations of the antitrust laws and that the railroads are in a fair way actually to accomplish that very thing—subject, of course, to a probable veto by the President. It is a true statement, nevertheless and notwithstanding—notwithstanding even the success of the real-estate interests in the matter of housing legislation and rent control, or even the success, up to the veto point, of the wool growers.

So quietly as to escape public attention, the private power companies are seeking to reverse national policy with respect to the use of the country's water resources. They appear to think that the present Congress is one that will undo all that has been accomplished in the past half century.

INNOCENT-SOUNDING BILLS

Last week a subcommittee of the House Interstate Commerce Committee heard power company witnesses on two innocent-sounding bills introduced in April by Representative MILLER, Republican, of Connecticut. This week part of one day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

Among the things they discovered was a purpose to change the definition of stream "navigability" to make the term apply, as one commission lawyer expresses it, only to streams capable of floating superdreadnaughts. The judicial concept of navigability followed by the Supreme Court for a hundred years and finally fixed, it was thought, for all time in the famous New River case, would be disregarded.

Also revealed was a maneuver to transfer to the jurisdiction of the States about 75 percent of the utilities now subject to Federal regulation. It is notoriously true that virtually no State is equipped or can be equipped to handle such regulation. But one of the Miller bills would give the States authority over the development of watersheds and all water resources within their borders, regardless of what effect that might have on other States or whole contiguous regions.

ACCOUNTING PRACTICE

This bill, taken in conjunction with a bill by Representative BYRNES, Republican, of Wisconsin, also being considered, would take away from the Federal Government its present supervision of accounting practices in the case of the utilities transferred to State regulation.

Probably nothing more useful has been accomplished by the Federal Power Commission than the job it has done in the past 15 years in cleaning up the books of the utility companies. The Commission is prepared to demonstrate that it has eliminated more than $1,400,000,000 of water from utility stock issues during that time. This has made possible the reduction of power and light rates throughout the country. Not only that, it has made utility stocks a much sounder investment. The Commission's seal of approval on any company's books has come to be the best argument brokers have to offer in dealing with widows and orphans.

Our memories are short, but padding of accounts, outrageous write-ups, and inflation of expenditures to affiliated concerns were once common practices in the utility business. Our memories are indeed short. We have almost forgotten Sam Insull, Howard Hopson, and others of their breed. The legislation sought by the power companies and being gravely considered by the House Interstate Commerce Committee seems calculated to bring us a new crop of Insulls and Hopsons.

UTILITIES' BLITZKRIEG

(By Thomas L. Stokes)

Previously there has been disclosed here the drive by powerful private utility interests in this sympathetic Congress to break down protections established by Congress through the years for the electricity consumer.

Perhaps the most brazen phase of this sneak offensive is the hurry-up attempt this week to slip through the House Interstate Commerce Committee, and eventually through Congress, two bills that virtually would nullify the Federal Power Commission's regulatory authority.

It would strike at fundamental policy of regulation recognized for years, far back beyond the New Deal, and sponsored, in basic principle, by Republican Presidents and instituted by Republican Congresses. It was President Hoover who, in 1929, recommended creation of an independent Federal Power Commission. A GOP Congress authorized it in 1930.

The 1930 act implemented an earlier one, the Federal Water Power Act, put through by a Republican Congress in 1920. This was to project further a broad policy first enunciated by President Theodore Roosevelt and endorsed by President Taft for development of water-power resources on a national scale in the general public interest and under Federal regulation.

What the pending bills, sponsored by Representative WILLIAM J. MILLER, Republican, of Connecticut, would mean to the consumer of electricity, both industrial and household, can best be shown by a review of developments that forced Federal regulation. Obviously, these were overlooked or forgotten by some Congress Members.

Reference is to the 6-year investigation into the private-power industry by the Federal Trade Commission that shocked the Nation with its revelations of the financial practices of great utility combines. The pyramiding of holding companies was shown, the watering of stock, the interchange of paper profits among dummy companies—all to create a heavily inflated structure upon which high rates to the consumer were charged.

By November 1929, the investigation had gone far enough to impress the conservative President Hoover with the necessity of Federal regulation. When it ended in the early part of the Roosevelt administration it was plain that additional Federal powers were needed. These were provided in 1935, including Federal accounting requirements to shake out $1,400,000,000 in water discovered by the Federal trade inquiry. Subsequently this water was squeezed out, and the way opened for rate reductions on the lower valuation—important for the consumer.

Now for the Miller bills. Their object is to restrict the scope of Federal regulation and to put the industry largely back under State regulation which long ago was found inadequate. The States now share in regulation, but uniform accounting standards are federally prescribed.

One bill would set up new definitions for interstate commerce so that a company could have interconnection across State lines without coming under the FPC. This would leave "only a handful of companies" under Federal regulation, according to FPC Chairman Nelson Lee Smith, and would be "substantial repeal of the law itself."

The other bill would narrow the definition of navigability, which is the basis for Federal regulation of hydroelectric power on our rivers, in such a way as to eliminate Federal regulation to a large degree. Navigability has been defined broadly to permit Federal Government supervision of our river systems, and the broad definition has been upheld repeatedly by the Supreme Court. This bill also would handicap integrated development of our river systems, likewise a long-established policy. Its effect, in the words again of Chairman Smith, would be to "reverse a national policy * * * that has been maintained for more than half a century."

Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Massachusetts [Mr. HESELTON] be permitted to extend his remarks at the conclusion of my remarks. In his extension he will show the dates referred to in these matters as well as the dates that the subject matter was covered in the CONGRESSIONAL RECORD. In addition to that, so that there can be no charge of any sneak attack, on three different occasions between the 7th of April and the 23d of June when the hearings were opened, I imposed myself on the Members of the House by discussing those particular amendments in the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. HESELTON. Mr. Speaker, as a member of the subcommittee of the Committee on Interstate and Foreign Commerce now taking testimony on the bills to which the gentleman from Connecticut has referred, I want to comment briefly on one phase of the articles to which he has referred. It is indeed remarkable that two of these articles should have appeared in the evening newspapers of July 1 and that the third appeared in the morning newspapers of July 2. It is most difficult to believe that these three writers were independently inspired to select this one subject for their columns and to express conclusions which are so markedly similar.

Each of these articles was published within 24 hours of the date assigned for the hearing of testimony from the Federal Power Commission. Each expressed considerable concern as to the manner in which the hearings were being conducted. In one article, the statement appears that—

This week part of 1 day will be given to the Federal Power Commission, at the urgent request of the Commission members, who discovered at the eleventh hour what was going on.

The plain implication of each of the articles was that the members of the subcommittee had reached a conclusion even before hearing the testimony in opposition to the proposals. That is both unwarranted and false.

Because I believe the Members of Congress and the public are entitled to a statement of the facts, I want to summarize them.

The bills now being considered by this committee were filed on April 7. In accordance with the practice, they were referred to the Commission for its report. Those reports were filed with the committee on June 13. The initial hearings were scheduled for June 23 and 24, and notice to that effect appeared in the Digest of the CONGRESSIONAL RECORD of Thursday, June 19. That notice was repeated in the Digest of June 20 and again in the Digest of June 23. And in the Digest of June 23 a report was made of the witnesses testifying in favor of the bills. In the Digest of June 24, a further report was made of other witnesses testifying in favor of the bills and in the Digest of June 25, another report was made of additional witnesses testifying in favor of the bills at a 3-hour evening session on June 24. In that issue of the Digest, a notice was given of the continued hearings on June 26. In the Digest of June 26, a report was made on hearings on June 26. In that Digest notice was given of the continued hearings to be held on July 2. That notice was repeated in the Digest of June 27, again repeated in the Digest of June 30, and finally repeated in the Digest of July 1. Moreover, representatives of the Commission were present during the hearings which were held on June 23, 24, and 25.

The best possible factual answer to the misstatements in these articles came from the Chairman of the Federal Power Commission, Mr. Nelson Lee Smith, at the outset of the hearing on July 2, when the chairman of the subcommittee, the gentleman from New York [Mr. LEONARD HALL], called Mr. Smith's attention to one of the articles. Mr. Smith stated that "reports were requested by the committee shortly thereafter"—after April 7—"and they were filed on June 13." Further, upon inquiry by the chairman of the subcommittee, Mr. Smith stated that it was a fact that all the time the Commission had requested had been granted, that it was his further understanding that the Commission was to have all of July 2 and that the subcommittee would sit in the evening, if necessary. As a matter of clear record, I do want to add that the testimony of the Commission has not been completed and that a further hearing has been scheduled for July 10.

It is amazing that not one but three writers of columns with national circulation, each of whom had full access to the public records in this matter, should have made such statements. But even now, it would seem to be a simple matter of factual and honest reporting for them to promptly wthdraw the suggestions they have made publicly which certainly involve a charge that members of this subcommittee are engaged in an effort to mislead the other members of the Committee on Interstate and Foreign Commerce, Congress as a whole, and the American public.

EXTENSION OF REMARKS

Mr. MUNDT asked and was given permission to extend his remarks in the RECORD and include a radio commentary by George E. Reedy.

The SPEAKER pro tempore. Under previous special order of the House, the gentleman from Arkansas [Mr. HAYS] is recognized for 5 minutes.

THE MARSHALL PLAN, THE DULLES PLAN, AND A BIPARTISAN PEACE PROGRAM

Mr. HAYS. Mr. Speaker, it was probably a coincidence that on the same day of the disappointing happenings in the Paris Conference there was issued a brilliant and significant statement by John Foster Dulles, head of the Commission on a Just and Durable Peace, appointed by the Federal Council of Churches of Christ in America. And I want to refer to that because of the stress he placed upon the moral aspects of the peace.

I was interested in what the gentleman from Illinois [Mr. DIRKSEN] had to say a few moments ago about this very problem. Mr. John Foster Dulles is a prominent Republican and a sincere churchman with wide influence. He had a large part in the preparation of this report by the Federal Council of Churches. The New York Times states that the commission calls for "a United States foreign policy primarily composed of moral ingredients." One of the most significant sentences in the report is that which asserts:

Whatever the views of the American people about the military aspects of national defense, they should make clear that they do not put primary reliance upon material defense. Our chief reliance is upon a moral offensive.

That is one of the high points in the report, and I am sure one that would be generally agreed with, although I believe it is the opinion of a great majority of the Congress that we must give attention to improvements in our material defense. It is a matter of determining values. Where are they? The greater values, says John Foster Dulles, are those of a moral character, and I agree.

Now, there are profound differences between the parties upon domestic issues in the present Congress, and I do not discount them. They are fundamental. They are important. We are entitled through our party activity to express our differences. But one heartening fact is that our controversies have not marred the bipartisan foreign policy of the United States, and I was glad that we emerged from the long debate over the Mundt bill, which I supported, without becoming involved in partisanship. The events of yesterday in connection with the Paris Conference make more important than ever that this Nation preserve a maximum degree of unity, and that the evolving foreign policy draw upon the resources of the two great political parties of this Nation. Without the contribution of both we will flounder in disunity and confusion.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I am very glad that the gentleman has quoted the statement of Mr. Dulles. I am certain that the gentleman is familiar with the fact that Mr. Dulles has been one of the most ardent advocates of a federated Europe, and it is significant that this

statement should come out about the same time that the conference in Paris breaks up, because the action of the agents of Moscow very forcefully demonstrates that Russia fully understand and appreciate the power of a unified Europe. Russia is doing everything that it can to prevent the unification of Europe, because if Europe is unified it has within itself the power to overcome communism.

Mr. HAYS. I thank the gentleman, and I agree that Mr. Dulles' espousal of his proposal for a United States of Europe is quite consistent with what he is saying here.

I think we too often have been timid in connection with asserting moral force, in speaking directly to the great issues in the world today.

May I revert now to the point I wish to make regarding the bipartisan peace policy of this Nation and the special contribution of a great Republican?

Mr. MUNDT. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from South Dakota.

Mr. MUNDT. May I suggest that the theoretical description of the operations of communism made by John Foster Dulles was pretty well illustrated in the laboratory of life in Paris, where Communist-dominated Russia destroyed the effectiveness of the conference there, which would have given some hope and some substance to the little countries of Europe.

Mr. HAYS. I thank the gentleman.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Does not the gentleman believe it would be well if in this country we would devote a little attention to establishing the freedom of the right of a man to work?

Mr. HAYS. I do. The right to work is certainly a fundamental freedom, and moral issues are most profoundly involved.

Mr. HOFFMAN. It would be well if we had a little bipartisan effort along that line here at home.

Mr. HAYS. I think there has been considerable evidence of a bipartisan approach to the problem in recent months.

Mr. HOFFMAN. It seems to me we lacked the President's cooperation the last time we tried it.

Mr. HAYS. But not in the Congress.

Mr. HOFFMAN. No; I will say that in the House there was no such obstructive move, but when we came to the Executive Office, although he had asked for cooperation and pledged it in the beginning of this session of Congress, we did not get it. I wonder if the gentleman can do anything about that.

Mr. HAYS. I am glad for the gentleman's comment to be recorded here. I am glad to yield to him for that purpose. Yet surely the gentleman will not disagree with me on the point I am trying to emphasize now, that whatever our differences on domestic issues, including this very complicated problem of labor-management relationships, we are making headway in the development of a policy for national security that utilizes the resources of both parties and does not play cheap, partisan politics, through maneuvering for position in 1948, with the most vital question in the world today, which is to preserve our free institutions.

Mr. HOFFMAN. I am not quite so sure about that maneuvering proposition. In some places it seems that that is just what they are doing, and I am not referring now to the Chief Executive. I agree with the gentleman that both parties have been supporting this, as he calls it bipartisan policy. In my opinion, while its purpose is good, what I fear is that you are going to continue it until you strip America so it cannot help even itself, to say nothing of the countries abroad.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. HAYS. Mr. Speaker, I ask unanimous consent to proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. May I say in acknowledgment of the gentleman's contribution that while I have differed with him on some domestic issues and some questions of foreign policy, aid to Greece and Turkey, for example, I think it is a marvelous exemplification of democracy that he has provided in a prominent way an opposition, which is so essential to the functioning of democracy. The Soviet spokesmen speak of democracy in other terms. They say, "Why, ours is democracy, because there is no opposition to the rule of the people." They resort to that rationalization in proclaiming their system to be democratic. The essence of democracy is an opposition. While I might disagree with the gentleman, I think he renders a very great service in providing opposition. I am not undertaking to say that the bipartisan policy for peace involves the discouragement of an opposition.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. The gentleman has made a splendid statement. I know he is a student of this question. Can the gentleman state what the bipartisan foreign policy of the United States Government is?

Mr. HAYS. The gentleman will notice that I have used the word "evolving" because if we should state it today we would have to restate it tomorrow. Essentially, it is to unite in support of our free institutions and to work with others of like mind for international peace, and, to the extent that it is possible, through our United Nations with its limited police powers to apply international force to prevent aggression.

Of course, it must be stated in the most general terms at this moment, and officially it should be left to the President and the Secretary of State in its fullness, but to the extent that Congress has responsibility I think we are making headway in the formulation of it.

Mr. KEEFE. The meeting of the Prime Ministers has just been concluded in Paris, which meeting was called for the purpose of discussing the Marshall plan. Has the gentleman been able to ascertain what the Marshall plan is?

Mr. HAYS. I will leave that to General Marshall. I think fundamentally that it was a matter of saying to Europe that we cannot go through this great transition with a sick and unhealthy Europe without imperiling ourselves, so in order to help Europeans to help themselves we are awaiting some decisions to be made by the governments of Europe.

Mr. KEEFE. I thank the gentleman. That leads to a practical question. Does the gentleman conceive the Turkish-Greek aid program to be part of the Marshall plan?

Mr. HAYS. It was adopted before the Marshall plan was advanced. I heard the gentleman's speech on the Greek loan. The gentleman from Wisconsin made a very able presentation of his own views in supporting the Greek-Turkish aid program. I think he made logical reservations and he made a real contribution.

Mr. KEEFE. Does the gentleman feel that the aid program, that is, the $350,000,000 aid program, is part of the Marshall plan?

Mr. HAYS. It preceded the Marshall plan and to the extent that the two are integrated and evolve a foreign policy, yes.

I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. The gentleman used the word evolution, I believe. Would the gentleman say that the Marshall plan has evolved as a result of the problems which were presented when we debated the Greek-Turkish loan?

Mr. HAYS. I believe that is a fair statement of it.

Mr. BOGGS of Louisiana. I believe all of us are agreed that in the world in which we are living there are two ideologies and the chances of compromise are apparently remote. Most of us agree with the distinguished gentleman from New York [Mr. WADSWORTH], whom I see in the Chamber, on the theory that there can be no appeasement of the ideology of communism today.

Mr. HAYS. That is correct.

Mr. BOGGS of Louisiana. On the other hand, I think there is some merit in what our colleague from Michigan [Mr. HOFFMAN] says, that if we use a piecemeal plan of aid to Europe—Greece, Turkey, and then Italy and France, and all the other separate nations of Europe—we are bound to bankrupt this country. So, the Secretary of State has come forward with a program in which he says, "Let Europe use its own resources, wipe out the customs barriers, and the economic difficulties may be solved, and Europe can reconstitute itself."

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAYS. Mr. Speaker, I yield to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. This is a very interesting issue which is now developing. It is so extremely unfortunate for the destiny of the whole world that the three-power conference should have broken up summarily and that the Soviet Union almost in a mood of pout should leave. The thing that caught my eye, of course, was the dispatch from Paris in which Mr. Molotov wanted to know various things.

Above all else, he wanted to know what the Congress would do. Could they rely upon the Congress? Of course, the only thing for which they rely upon the Congress at the moment, in pursuance of this plan or any other plan, is how much money will the Congress provide. As I stated in my remarks, I subscribe completely to the conviction that our foreign policy must be conducted by the executive branch, but now, when it becomes the responsibility of Congress to further dissipate the assets of America, in response to the query in Mr. Molotov's mind, that, of course, brings us within the orbit of this thing; and we come back to the question of fundamental policy. I cannot think of anything that is so distressing at the moment, except what has happened in Paris so recently, because we are squarely up against the necessity of making some kind of a determination. So it comes back to what I called the $64 question. Perhaps it should properly be called the $64,000,000 question or the $64,000,000,000 question.

Do we propose now, in the light of every frustration we have experienced, every stubborn defense that has been set up on the pathway to peace and freedom—are we going to be equally patient now, or after 2 years' experience—soon it will be 2 years since hostilities were concluded—are we going finally to say, "We have had enough of this now, and the destiny of the world is in the balance. It is going to require some forthright speaking and some forthright acting for America. We are not going to permit one country in the world to frustrate the effectuation of the thing that has come out of the hearts of billions of people all over the world; that is, the hope of peace." So the Congress is squarely in the picture at the moment.

Mr. HAYS. I thank the gentleman very much for his valuable contribution, but would he not take hope in the fact that, while it is disappointing that the three can find no basis for agreement, at least we have come to a forthright facing of the issue, and that we may be better off as a result of it, to recognize that actually, for the present, we cannot have one world; we must have two worlds. Our world, including our fellow democracies in Europe, must be strong. It must be strong materially and it must be strong morally. That is what John Foster Dulles has said. I agree with the implication that perhaps there has been too much talk of money; the sending of money, the making of loans, even thinking in terms of material goods for a stricken people. These are vitally important, to be sure, but they must not be treated to the exclusion of the moral basis for our action. We should reexamine our own thinking, and then strive for unity between the parties for the sake of the world's recovery.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I would like to compliment the gentleman on the speech he is making and on the continuous effort he has made to foster and stimulate a completely bipartisan foreign policy. I think he is pointing up a fundamental issue that faces the United States of America today, in relation to all of Europe. It is a simple issue, whether freedom and the dignity of man are to continue on the face of the earth in that part of the world, or whether we will have a hopeless state, under totalitarianism. It is an issue as old as Christianity itself. I hardly think that this country, blessed with the greatest harvest and the greatest income in the world, will now turn her back on the hundreds of millions of people throughout the world who are reaching for the torch of liberty, and say, "We are going to give nothing to help you out of the devastation in which war left you."

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I believe I have only about 1 minute remaining.

Mr. MASON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes to discuss this momentous question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. MASON]?

There was no objection.

Mr. HAYS. I yield first to the gentleman from Illinois, and then I will yield later to the gentleman from Wisconsin.

Mr. DIRKSEN. I agree with the observations made by the gentleman from Oklahoma [Mr. MONRONEY] but what we are up against is, Shall we with the left hand dole out money to rehabilitate small nations, and then with the appeasement of the right hand permit a great power to come in and undo all the work for which hundreds of thousands of young Americans died, and for which we projected this country into a deep debt of some $260,000,000,000?

Now, we cannot pursue it both ways. As I indicated at the outset, my opinion is that the very purpose of this country is freedom and if we are not going out to confess that World War II was a great ecclesiastical vanity, then we must do something resolute in the field of foreign policy and somewhere along the line we are going to have to set up a stop sign and say "No more undermining such as took place in Czechoslovakia, Bulgaria, Turkey and Greece." Otherwise we dissipate the assets of our country; otherwise we cannot do this thing effectively. We are getting exactly nowhere, we are very nearly today back to the point where we were when hostilities ended in 1945.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I want to say that anyone can concur in the rather broad platitudes of the gentleman from Oklahoma [Mr. MONRONEY] with respect to this problem. I have made those expressions time and time again. But if you want to see this issue crystallized, read the editorial in Collier's Weekly of this week which asks the question I have asked in the hearings before the Deficiency Committee where we have under consideration now all of the appropriations to implement this program. I have not been able to get a single answer from anybody, from the State Department or any other place for the simple reason that they do not know.

Now, the question is, in the face of this huge program which is presently outlined covering every nation on the face of this earth—some of which you have never heard of, at least I have never heard of a lot involved—with present estimates $4,096,000,000. The President of the United States has appointed a commission to study the question and to report to the Congress and the people: How far can we go? And how far will the resources of this Nation permit us to go?

Before the Deficiency Committee the representatives of various agencies and departments have admittted their tremendous concern over the ability of these United States to meet the commitments that have already been made for the fiscal year 1948, to say nothing of fiscal year 1950, 1952, and on into the future as far as you can look. So it cannot be so simply stated, this problem, as to repeat certain repetitious ideas enunciated by the gentleman from Oklahoma. This is a real problem that confronts us and I think we are all going to have to work very hard to solve it.

Mr. HAYS. Just a minute. I appreciate that, the gentleman from Wisconsin is speaking feelingly about this matter and I am glad for him to do it, but the gentleman from Oklahoma has not advanced an inappropriate platitude. It comes with real timeliness. I am reminded of what a man named Basil Gildersleeve said. I do not know who he was or where he lived, but I ran across this thought of his and I pass it on to the gentleman from Wisconsin whose fine work on the Appropriations Committee we appreciate. He has been struggling with tough problems.

Mr. Gildersleeve said:

> To count the cost is in all temporal things the only wise course, but there comes a time in the life of every individual and of every nation when eternal principles enter the calculation, and when that time comes—

Said this philosopher—

> there is a sentiment that cannot be projected into the domain of statistics; it is the senti-

ment best expressed by Saint Paul who said in a great crisis in his life "neither count I my life dear unto myself."

And no man has a right to place the interests of his political party above the interests of his nation or the ideal of freedom in an hour like this. That was my thesis, that was my text. So we ought to say, like Saint Paul, "Neither count I the life of my political party dear unto myself."

And the plan of aid for Europe's recovery is not a platitude. It is a timely thought. If it should cost us $25,000,000,000 to save the peace it would be worth it. It would be worth the sacrifice of political position, of individual leadership, of our party's power if it were necessary to save the world.

Mr. BOGGS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. I simply want to make one observation in connection with the remarks made by my distinguished friend and colleague from Arkansas. I listened with great interest to what my colleague from Oklahoma had to say. He talked about the values of Christianity and freedom. If those are platitudes, then I say we might as well close up this Congress and let communism take the world.

Mr. KEEFE. Will the gentleman yield for just one statement?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. KEEFE. Just read the memorial address which I made to this House and see if you can find justification for the implications in the statement just made when I spoke from that platform with fervor, with honesty and with conviction that came from the heart. You will find there the sentiments which I have. I am speaking realistically in facing this situation and know this thing has to be implemented with money and with resources that God alone gave us.

Mr. HAYS. These are not incompatible, may I say to the gentleman from Wisconsin. These urgings to do something to save the peace and to maintain our Nation in a solvent condition are not incompatible. They can be harmonized and they must be harmonized.

Mr. BREHM. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Ohio.

Mr. BREHM. The thing which has caused me so much concern is: How are we, a Christian Nation, going to deal with an atheistic nation, with those who do not accept Jesus Christ as the Son of God? How are we going to reconcile those two ideologies. Will we not in the final analysis be as far apart as the poles? We have sent Christian missionaries throughout the world for years and years preaching the doctrine in which the gentleman from Arkansas believes and in which I believe and which I want eventually to dominate; but at the end of their teachings we come back with the biggest and best war in history. Is the State Department going to attempt to take over the functions of those missionaries? Meeting upon such a plane of opposite ideologies, one believing in a Supreme Being, the other in an atheistic ideology, are we ever going to be able to get together with a nation that has an ideology as far apart as theirs is from ours?

Mr. HAYS. Not unless the Soviet system relinquishes their rigid control over the minds of its people so that the religion in which we ourselves believe has a chance to appeal to the people. I refer to our expression of Christianity. It is sometimes proclaimed that Russia now grants religious freedom. But can a Christian minister stand up in Russia and criticize the government? That will be the test of freedom in Russia. That is the one test I would apply if I were close enough to Russia to see whether or not the Christian faith is taking hold of their government. If totalitarianism persists, the two cannot exist side by side. You cannot have political oppression and Christianity, which exalts the individual, together in one society.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has again expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman's argument about following a principle is all very fine, we all would like to agree with the gentleman on that; but what becomes of that idea if the individual or the Nation, in this case the Nation, so weakens itself that it goes out of existence? What good is your principle then? I was thinking about when the Crusaders were going to restore Christianity or the seat of Christianity. They had a good idea, they followed their principle, but what did they accomplish finally? Then getting back to the present: The gentleman has made the issue and the gentleman from Oklahoma has made the issue very, very clear. There are two theories of government in this world today. I take it one is communism and the other is the one to which we hold. As I understand it, you cannot have the two. Does the gentleman agree with me?

Mr. HAYS. I agree with you that the two cannot exist together.

Mr. HOFFMAN. All right. That gets us in the position, does it not, of being determined to rule the world and imposing our theories of government and religion upon everyone else?

Mr. HAYS. Not at all. I undertook to say that Christianity could not exist in its fullness in Russia unless individual freedom were granted.

Mr. MURRAY of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. MURRAY of Wisconsin. I appreciate the gentleman's statement. There are two things that come to my mind in connection with the gentleman's presentation. It is not surprising to me that many people are confused. I know I am, because the President came home very hurriedly and told us how necessary it was to supplant the Monroe Doctrine with the Truman doctrine. And, we went along. The ink had not much more than gotten dry before Mr. Marshall came out with a different program. Now, Mr. Truman's program, as I understood it, was that he wanted to get the world forces against communism; he wanted to shoot everyone that bobbed his head above ground, just like chipmunks. And, Mr. Marshall said, "No, not necessarily; we do not care about shooting them. We want them to be good boys and come in here with us."

I think many of us get confused by the fact that we are trying to make two horses go in different directions. But the point I would like to make with my distinguished friend is this: When it comes down to dollars and cents, I usually do not want to be accused of being any Santa Claus, because I do not have the bells or the whiskers, but there is the point in connection with the money involved. If our country has to spend fifteen or twenty billion dollars a year in order to keep ourselves strong in a military manner—and we must think of that in connection with the money—what we could be passing out to the rest of the world would make it unnecessary for us to spend over three or four million.

Mr. MONRONEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Is it not a fact that in considering the future policy of the United States in building a lasting peace, we must also consider the cost of the ground upon which that peace is to be built, and that ground has cost $4,000,000,000 of our money and the time of 16,000,000 of our young men for several years. Now, I think we have to be realistic about it. We are spending today over $11,500,000,000 to preserve an armed force, of which I am heartily in favor, but I know, and the gentlemen here know that an armed force, the best-trained and the best-equipped that Congress and our experienced officers can create, has no defense against atomic warfare or against bacteriological warfare. In the course of spending money for our own defense, aside from the Christian principles involved, in establishing a hope of freedom that is still alive in the world today, then we should spend, yes, billions of dollars to make possible the growth of freedom and the growth of peace. It is not going to grow accidentally. It is not going to grow if all the people in Europe feel that we have pulled down the curtains again and begun to slip behind the wall of isolationism. A virile force of totalitarianism and communism is sweeping over all of Europe, and the only thing we have to do to help and implement that sweep of communism is to say to the world, "Brothers, we are through; we have had enough."

Mr. HAYS. I thank the gentleman.

Mr. DIRKSEN. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. DIRKSEN. The gentleman from Arkansas alluded to the Apostle Paul a brief while ago. It was that same Apostle Paul who also once said, "Having done all, stand."

Now, let us get back and apply that to the American foreign policy. I am confident the American people are willing to gamble a very substantial sum on the effectuation of peace, but they want to see some results as they go along. But we advance the money, and free elections are denied in Poland. We continue to pour out money, and freedom is eclipsed in Rumania. We continue to advance money and set up great world projects, and freedom is a casualty in Bulgaria. If we had not interfered there might have been a casualty in Greece, in Iran, and in Turkey. We know, of course, that there was a casualty long ago in Yugoslavia and in Albania. Now we see threatening signs in Italy. We see this scourge of Red fascism moving into France.

The question I ask is probably the same kind of question that the humblest American citizen asks: "In return for all this money, what do we get?" Is it the case of the old Australian bird that walks backward, and the longer it walks the farther it gets from the goal? We are farther away from the goal now than we were in August of 1945. In all good conscience, can we go to the American people and say, "Five billions for 1948, five billions for 1949, five billions for 1950, and five billions for 1951 for the purpose of effectuating peace?" Where is that indefinable line where people will finally say, "We want some results." So to get results, in view of the break-up in Paris, and it is serious for the whole world, do we now come up against this gospel of the Apostle Paul, "Having done all, stand"?

Mr. NIXON. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. NIXON. The gentleman has made, I think, a very eloquent plea for bipartisan cooperation on foreign policy. I think the gentleman has recognized, too, that we have had bipartisan cooperation, and cooperation from a number of the Members on this side of the aisle. But I think we should bear in mind also that the cooperation we have had, I think, involves on the part of some Members on both sides of the aisle misgivings in this particular instance. The matters which have come before us involving foreign policy generally have come before us after the deed has been done. The Congress has come in after the decision has been made and the Congress has had to back up the decision that has been made by our State Department and by the executive branch.

The question I should like to ask is this: Does the gentleman not feel that a true bipartisan foreign policy means that it must be bipartisan in its inception and creation as well as in its execution?

Mr. HAYS. I do. I would criticize the President of the United States if he submitted to the Congress or to the Nation a policy or a phase of a policy that excluded a contribution by the Republican Party.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from California.

Mr. McDONOUGH. Referring to the remarks of my colleague [Mr. DIRKSEN] a moment ago about the millions and billions that we may be called upon to put up, in other words, in an attempt to buy the peace, does not the gentleman believe that moral integrity and intellectual honesty in international affairs rather than dollars are the basis of peace? Is there any record in history where peace was ever decided by dollars, by setting up boundary lines for States, by one nation seeking to obtain all that she could at the expense of others, and advancing the false theory that Russia is now advancing. Today Russia, as we know, has sought to obtain all the oil, all the tin, all the steel, all the land, all of everything she can until the day could arrive, and it arrived yesterday in Paris, when she could tell the rest of the world that she was prepared to say, "We, Russia, are now the isolationist nation that we charged you to be, and we are willing to become isolationist because we are going to threaten you, and by our threats you shall shudder." Nobody has shuddered as yet. But moral integrity and intellectual honesty are the basis of peace.

Mr. SADOWSKI. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Michigan.

Mr. SADOWSKI. I think it is a fallacy to state, as has been stated here this afternoon, that this is a struggle between two ideologies, the Communist ideology and the American democracy. I think it is a fallacy to say it is a struggle between only those two. I think there is a third ideology. It is the ideology that is prevailing throughout Europe. It is an ideology that is caught between the jaws of the nutcracker today. It is an ideology that is represented by so-called Socialist parties in Europe in the various countries. To a certain extent they have an ideology something like my friend from Mississippi [Mr. RANKIN] has about Government ownership and control of power and utilities.

Mr. RANKIN. Oh, well——

Mr. SADOWSKI. Wait until I finish. It is a fact, nevertheless, that you have these peoples of Europe today who do not want the old prewar governments that they had. They do not want any part of that prewar government because they had economic misery under it. They could not live. That is why so many of them came to the United States. They were hungry in Europe. They could not get bread to eat in Europe, and that is why they came here. These same people do not want communism either. They are struggling and fighting against communism. They do not want to return to the old government or to a capitalistic government which strangled their economy ther- They have nationalized their industries. They have parceled out the big estates. The land reform movement is not an idea which originated in Russia. Oh, no, that idea originated with the people themselves through their own political parties long before there was a Communist Russia. That was a part of the program of the people of Europe. The nationalization of industry in Europe or the socialization of industry can best be exemplified by what happened in Poland where, I was told, 83 percent of the industry there before the war was owned by foreign capital, and, as it was put to me, they said "SADOWSKI, how would you like it if the Chrysler Corp. or the General Motors Corp. and all the other plants in your district were owned by foreigners and foreign capital and they could stifle your production in your district or in your country and they could decide whether your people could work, when they could work, and when they could not work?"

Eighty-three percent of the industry in Poland before the war was owned by foreign capital. That was not only true of Poland, it was true in other European countries.

So what happened? A third ideology is now in the making in Europe. We should recognize that ideology. I think we can work with that ideology. It is not just a struggle between communism and American democracy. It is far greater than that. You can see it working today in Belgium. You can see it working today in France. You can see it working today in England. You can see it working today in Poland. You can see it working today in Czechoslovakia. You can see it working all over the world.

The SPEAKER pro tempore. The time of the gentleman from Arkansas has expired.

Mr. BOGGS of Louisiana. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. RANKIN. Mr. Speaker, if the gentleman will yield, I just listened to the statement here on so-called socialism of Europe, which is just a shade to the right of communism, which means the destruction of everything that we ever stood for in this country.

Only one side of this question is being discussed here, and I want to discuss the other side of it.

Mr. HAYS. I yield to the gentleman from California.

Mr. JACKSON of California. I think unquestionably one of the greatest matters of concern to all of the Members of this body and also the country at large with relation to this entire foreign policy matter and the problems brought about by our relationship to the rest of the world has been along the line of our capacity to produce and to furnish, combined with an accurate picture, the needs of the rest of the world. In order to meet that problem, to meet it so far as is

possible under the circumstances, the Committee on Foreign Affairs, its staff and subcommittee, expressly appointed for that purpose, has been for the past several weeks bringing together all of the available data bearing on those problems. I am sure everyone will understand any such approach must of necessity be incomplete. All we hope to achieve is to get together what is known on the subject. I asked the gentleman to yield merely for the purpose of calling to the attention of the House the fact that such a report has been prepared and has been released to the press today and that all Members of the House will receive a copy of that document, the preliminary economic survey report.

Mr. HAYS. I am glad to have the gentleman make that statement. May I say I am sure I am only one of a great number of Members of the House, who have served longer than the gentleman from California, who appreciate what he and his first-term colleagues are doing on the Foreign Affairs Committee. He probably has not been aware of the prominence he has enjoyed. Many of us have observed and spoken favorably of the work of the gentleman from California [Mr. JACKSON] and his colleague from California, and others, on the fact that they have not waited to gain seniority to make themselves heard.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield.

Mr. BRADLEY. I would not attempt to discuss the ideological question brought up by the gentleman from Michigan [Mr. SADOWSKI] but the people in my district are very much troubled as to where we go from here; as to how long any of these policies will remain in effect; whether it is 2 weeks or 3 months. You must remember that within a short time we have had the Roosevelt policy, we have had the Hull policy, we have had the Byrnes policy; we got the Truman policy, and now we have the Marshall policy.

Mr. RANKIN. And we had the Willkie one-world policy, and now we have the Stassen policy.

Mr. BRADLEY. Yes. I do not have any idea what the Marshall policy is. I see it mentioned and referred to in all the papers. I cannot find out and my people do not know. Right now they write and they say, "You just gave millions of dollars. Are we throwing that away? Are we casting them all aside to get something new?" That is one of the things troubling the people of the Nation today.

Mr. HAYS. I yield to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS of Louisiana. I was very much interested in the statement made by my colleague from Illinois [Mr. DIRKSEN]. I am one of his admirers in the House. I think his was one of the finest statements made during the debate on the Greek-Turkish loan. I thought he pointed up the issues probably as effectively as any Member of this House. I am somewhat concerned about his statement, because, while I agree with practically all he had to say, when he said now we must stand. I wonder what alternative he offers. Does he imply by that that we must cease our program in Europe, go back to a policy of doing nothing, or does he mean to say that we shall become more forceful? What does the gentleman mean?

Mr. HAYS. I am sure the gentleman from Illinois will be glad to answer the gentleman from Louisiana. If the gentleman does not press his request, I want to yield briefly to the gentleman from Indiana.

Mr. MITCHELL. The gentleman from Michigan [Mr. SADOWSKI] referred to the people in his district as saying, "SADOWSKI, how would you like to have Chrysler and General Motors Corps. controlled by foreigners, tell your people when they can work?"

Mr. SADOWSKI. Not said by the people of my district, but said to me by people who had come from Europe.

Mr. MITCHELL. I wish to make the observation that in many instances we have foreign labor leaders telling them when they can work and when they cannot. We want to stop that too.

Mr. HAYS. I ask the House to indulge me just one final statement, and then there will be time for others. I fear if we do not revert to the original proposition laid down in John Foster Dulles' statement, that we may recall these points of difference and the involvement over material things rather than the supremely important emphasis in his report, which is that America must be morally strong; we must be united. I want to express my gratitude that you have heard me so patiently. I hope this whole debate has been helpful. I have tried to yield to everyone. The text with which I started was this, and I close with it, the important thing is that we have through a bipartisan policy, an evolving policy, made great progress in the last few years. In the Congress if not in the executive branch of Government as some charge, we have at least worked toward an objective to which we could all subscribe, to preserve this Nation's security in the world, to preserve our free institutions, and to work together as Americans not as partisans for the good and the happiness of the peoples of the world.

The New York Times article of July 2, 1947, setting forth the contents of the report by Mr. Dulles' Commission is as follows:

MORAL OFFENSIVE BY UNITED STATES ADVOCATED BY DULLES GROUP

The free society versus the police state is the supreme political issue of today, declares a statement prepared by the Commission on a Just and Durable Peace, and adopted yesterday by the executive committee of the Federal Council of the Churches of Christ in America.

The statement, drawn up over a period of 2 months by a group headed by John Foster Dulles, Republican adviser to Secretary of State Marshall, discusses American policy today as regards relief and reconstruction, relations with the Soviet Union, relations with the United Nations, and the moral bases underlying these relations.

At a press conference held in the Federal Council's offices, 297 Fourth Avenue, following the executive committee's meeting yesterday, Mr. Dulles said in response to a question: "If Soviet leadership persists in its attempts to extend the police state system throughout the world I feel it will be extremely difficult to find the basis for a lasting understanding."

The Commission's statement calls for a United States foreign policy primarily composed of moral ingredients. Neither approving nor condemning the creation of military establishments, it says the American people should make clear that "whatever may be their views about the military aspects of national defense, they do not put primary reliance upon material defense; our chief reliance is on a moral offensive."

There is an "inescapable duty" to aid in reconstruction of foreign nations "to a degree not yet understood or accepted by our people," the statement asserts. An adequate program of aid, it continues, "may involve a reconsideration of basic domestic policies in relation to such subjects as taxation, public debt, tariff, labor and management relations and price policies. Whether or not the overall program seems in its immediate consequences to affect adversely certain features of our economic life, the duty is inescapable."

The problem is not merely financial, the commission declares, but one of production and delivery of goods and so involves also labor relations. The statement endorses the Marshall plan and adds that when resources are limited and a choice has to be made, it is "legitimate to favor those who are intelligently striving to help themselves and to help others."

TENSION INCREASING

Asserting that the most difficult international problem is to establish working relations with the Soviet Union and that tension among the nations is on the increase, the statement continues:

"We believe that one cause of this increased tension, and a cause which it lies within our power to control, is failure to demonstrate that the American people stand for a basic moral and political principle and not merely for self-interest. The critical and supreme political issue of today is that of the free society versus the police state. It is not the economic issue of communism versus capitalism or the issue of state socialism versus free enterprise. As to such matters, it is normal that there should be diversity and experimentation in the world.

"By a free society we mean a society in which human beings, in voluntary cooperation, may choose and change their way of life and in which force is outlawed as a means to suppress or eliminate spiritual, intellectual, and political differences between individuals and those exercising the police power. The police state denies such rights. In the Soviet Union such denial is sought to be justified by Marxian communism. As we pointed out in our earlier statement that doctrine 'in its orthodox philosophy stands clearly opposed to Christianity. Its revolutionary strategy involves the disregard of the sacredness of personality which is fundamental in Christianity.'

"The same statement went on to say that if American initiative is to prevail it must carry world-wide conviction on two basic facts: first, that 'our Nation utterly renounces for itself the use internationally of the method of intolerance'; and, second, that 'persistence internationally by the Soviet Government or the Soviet Communist party in methods of intolerance, such as purge, coercion, deceitful infiltration, and false propaganda, shielded by secrecy, will not in fact make its faith prevail and will jeopardize the peace.'

"We believe that our Nation has failed to carry conviction on those two basic propositions, particularly the first. There exists abroad a widespread impression that we

ourselves are using, or are prepared to use, methods of coercion to impose on others our particular form of society. That impression is largely due to unfriendly propaganda; also our practice in some instances has not always made our position clear.

"The peoples of the world are confused. Without doubt, they overwhelmingly prefer a free society of tolerance, although many prefer state socialism to free enterprise. However, they feel caught between the two greatest and most vigorous powers of the world, each of which, they assume, is seeking to impose its will by coercive methods of intolerance. As a result, there is no impressive and decisive alinement of the moral and spiritual forces of the world. The disunity or neutrality encourages Soviet leaders to persist internationally in their own methods of intolerance, and they are winning support from among the many who feel that they are offered a choice only between rival imperialisms.

"In order that moral power may be potent for peace, and in order that the United States may not be isolated and endangered in the world, our Nation must stand plainly for something so simple that all can understand and so clearly right that all men of good will will agree. That goal is a world of free societies wherein all men, as the children of God, are recognized to have certain basic rights, including liberty to hold and change beliefs and practices according to reason and conscience, freedom to differ even from their own Government, and immunity from persecution or coercion on account of spiritual and intellectual beliefs. We recognize that at home our people have not eradicated some kinds of intolerance, especially in race relations. There is, however, a profound difference between a free society, in which there can be appeal to the conscience of men to bring about self-correction, and a police state where no dissent is allowed.

"Our people, by word and deed, at home and abroad, ought to make clear that they stand on the principle of a free society as against a police state. Then we shall have brought into clear relief the issue on which turn the great decisions of our time. We shall have put in proper perspective the issues of communism, state socialism, cooperatives, capitalism, free enterprise, and other forms of social or economic life, admitting the right of all to experiment and seek by fair and tolerant methods to propagate their beliefs in the world.

"When our Nation's position is clarified in this respect, the American people will have identified themselves with a great principle which attracts the loyalty of men generally. On this principle the will of so many throughout the world could be consolidated as to make obvious the futility of attempting to extend generally the police state system. Then there would be reasonable basis to hope that the attempt would probably be renounced, if only as a matter of expediency. Fear and distrust would then give place to an atmosphere in which the nations could work together for a just and durable peace."

The statement urges the United States make greater use of the United Nations as a means for promoting consolidation of moral force "which is indispensable to peace."

Mr. HESELTON. Mr. Speaker, I did not want to interrupt the discussion between the gentleman from Arkansas [Mr. HAYS] and other Members, because, unfortunately, I was called from the floor and did not hear all of his remarks. I do want to express my conviction that the gentleman has addressed himself in his characteristically able manner to one of the most important issues now before Congress. His outstanding ability and complete integrity and sincerity is a guaranty that his remarks will be received as constructive and most helpful to his colleagues.

All Members of Congress have a tremendous individual responsibility in passing judgment upon the nature and extent of aid to other nations and peoples. In the attempt to discharge that responsibility, it is certain that individual Members will have to rely in large measure upon the recommendation of some committee. It is encouraging to learn that a report is being filed by the Committee on Foreign Affairs dealing with certain aspects of the problem. Nevertheless, it is completely obvious that this problem, in all of its phases, does not lie within the primary jurisdiction of any single committee of the House. We are confronted with phases of the problem over which the Committee on Armed Services has jurisdiction. Other phases of the problem are within the jurisdiction of the Committee on Foreign Affairs. The relation of the Import and Export Bank, the Monetary Fund, and certain commodity controls to the problem is within the jurisdiction of the Banking and Currency Committee. The jurisdiction of the Committee on Agriculture over matters involving crops, fertilizer, and certain export controls is clear. The Appropriations Committee will have most important responsibility with reference to the amounts of the expenditures involved, as well as in connection with the use of these funds.

It is fundamental that with such conflicting jurisdictions over such an extensive field, a determined effort should be made to provide correlation among the committees of the House, so that the Members can be guaranteed that they have all the facts as well as the results of the best available judgment when they are confronted with the necessity of forming their conclusions and casting their votes on proposals which inevitably will be made.

Fortunately, a specific measure to accomplish this exact purpose is contained in House Resolution 173, filed by the gentleman from Massachusetts [Mr. HERTER] over 3 months ago, on April 2, and on April 23 referred to the House Calendar. It is possible that Members might feel that valuable contributions could be made through the selection of a majority and minority member from one or more of the other committees of the House than those mentioned in the resolution, but it is clear from the resolution that this can be accomplished through the provision for additional appointments by the Speaker.

The resolution is as follows:

Whereas the importance and complexity of aid required by foreign nations and peoples from the resources of the United States is assuming increasing proportions; and

Whereas such aid directly affects every segment of the domestic economy of the United States; and

Whereas the problems relating to such aid are of a nature to lie within the jurisdiction of a number of the standing committtes of the Congress; and

Whereas these problems should, in order to safeguard the resources and economy of the United States, be given the most careful consideration in relation to each other; and

Whereas an integrated and coordinated study should be most valuable to the standing committees of the Congress: Therefore be it

Resolved, That there is hereby created a select committee on foreign aid composed of 15 Members of the House of Representatives, who shall be appointed by the Speaker, 10 of whom shall be selected as follows: One from among the majority members and one from among the minority members of each of the following committees: The Committee on Appropriations, the Committee on Foreign Affairs, the Committee on Banking and Currency, the Committee on Armed Services, and the Committee on Agriculture. The Speaker shall designate one of the members of the select committee as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the manner in which the original appointment was made.

The committee is authorized and directed to make a continuing study of (1) actual and prospective needs of foreign nations and peoples, including those within United States military zones, both for relief in terms of food, clothing, etc., and of economic rehabilitation; (2) resources available to meet such needs within and without the continental United States; (3) existing or contemplated agencies, whether private, public, domestic, or international, qualified to deal with such needs; (4) the administrative skills and performance of such agencies; (5) continuing wartime or other controls, if any, required to maintain prices of commodities in short supply at reasonable levels, whether such controls be domestic or international; (6) any or all measures which might assist in assessing relative needs and in correlating such assistance as the United States can properly make without weakening its domestic economy.

The committee shall report to the House (or to the Clerk of the House if the House is not in session) from time to time as it shall deem appropriate, but not less often than once in each 6 months.

For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, whether or not the House is sitting, has recessed, or has adjourned, to employ such personnel, to borrow from Government departments and agencies such special assistants, to hold such hearings, and to take such testimony, as it deems necessary.

Mr. Speaker, in my judgment, the immediate passage of this resolution would be the most constructive action the House could take in an attempt to fully and adequately discharge its responsibilities in this field, and I urge all Members who wish to provide a means for the soundest possible solution of this problem to do everything within their power to bring about the prompt passage of the resolution.

EXTENSION OF REMARKS

Mr. HOLIFIELD asked and was given permission to extend his remarks in the Appendix of the RECORD and to include a column from today's paper.

PERMISSION TO ADDRESS THE HOUSE

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and that my remarks may be printed in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

[Mr. MURRAY of Wisconsin addressed the House. His remarks appear in the Appendix.]

THE AMERICAN IDEOLOGY: "ALL MEN ARE CREATED EQUAL"

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, we have been speaking here this afternoon in this very interesting debate of conflicting ideologies. I think it behooves us for a moment to pay our attention to the pronouncement of what I think is the greatest ideology and philosophy of government that has ever been devised by man. It was phrased just 171 years ago tomorrow in our Declaration of Independence. The particular phrase to which I refer is that all men—not just Americans—all men are created equal, and that they are endowed by their Creator—not by a state, but by their Creator—with certain inalienable rights. That is the political philosophy of our form of government and I think we should contemplate it very deeply these days when we are thinking about conflicting ideologies. We should not be ashamed of it in this country or elsewhere throughout the world, and if there is to be a spread of any ideology it should be the ideology that recognizes that individuals get their rights from their God. We should not be afraid of intellectually defending that ideology under any and all circumstances as against any other type of government, because that ideology is based upon human nature. The same kind of human being that exists in this Chamber exists in Poland, in Czechoslovakia, in Rumania, Russia, everywhere; people are human. The rights that they have are not from their state but from their God. They have rights that are inalienable. We avowed that 171 years ago. It is good philosophy for Americans. It is good for people all over the world. That type of ideology can be defended by the people of any country. That is so because it is based on human nature. We should constantly let it be known to the world that ours, the finest government in the world, is based on a recognition of the fact that men are essentially equal the world over, that their fundamental rights—the right to life, the right to liberty, the right to seek and live a happy life—these rights and others are given to them by their God. These rights they have because they are human beings. No dictator, no president, no legislature, no court gives them these rights. Law and governments that are not based on human nature will wither away. But laws and governments which recognize that a human being is a king made in the image and likeness of his Creator, that he has rights and a dignity that are given to him by his Creator, rights and a dignity that no state can take away—those laws and that government, shall stand the test of the centuries.

THE PROFUNDITIES OF GOVERNMENT RESEARCH

Mr. SHAFER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SHAFER. Mr. Speaker, I dislike to interrupt this discussion of ideologies. However, I have another matter that I think should be called to the attention of the House. I have here a clipping of a recent newspaper release from the Department of Agriculture which may have escaped the attention of some Members. It reads:

A brownish tinge that appears on white clothes during ironing may come from a scorched ironing board cover, home economists of the United States Department of Agriculture says. When very damp clothes are ironed, some of the brown color may come off the ironing board and onto the clean fabric. In the same way, other soluble stains on the ironing board may be transferred to clothes during ironing.

Now, Mr. Speaker, I am sure every Member will agree that the housewives of America should possess this profound knowledge. But I would be very much interested to know how many people the United States Department of Agriculture has had to keep on its pay roll in order to discover this important fact and to convey it to the public. I am sure the taxpayers would be interested to know just how much it cost them to have the Department of Agriculture dish out this vital information.

Perhaps President Truman has these pay-rollers in mind when he vetoed the Knutson tax-reduction bill.

THE JUDICIAL AND JUDICIARY CODE

Mr. HOBBS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. HOBBS. Mr. Speaker, I take this time to advise the Members of the House who are present that on page A3279 of the Appendix to the CONGRESSIONAL RECORD there is a brief on behalf of the adoption of title XXVIII of the code, the name of which code is the Judicial and Judiciary Code.

We appropriated, and it was approved by both bodies and the President, $100,000 for the work that has in these 4 years gone into the creation of this code. We believe that with 3,000 sections, 173 chapters and only two points of difference, we ought to approve that code. We believe it is sound and right. We have had the most expert advice that money could buy from the West Publishing Co. and the Edward Thompson Co., together with 4 years' work on the part of the Judiciary Committee. We have a unanimous report with only two corrections. One committee amendment will be offered when this matter comes up for consideration on Monday. If anyone wants to read it over the week end we will be happy to have you get the factual data on which this is based.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include an article on the shortage of oil and on GI loans.

Mr. BENNETT of Michigan asked and was given permission to extend his remarks in the RECORD.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRADLEY. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BRADLEY. Mr. Speaker, in the remarks I have heard today, there have been a great many comments about independence. It brings to mind the fact that in 1898 the island of Guam came under the jurisdiction of the United States and that in the 49 years which have followed, the people of that island have not enjoyed one single day of independence or freedom under a civil government.

I do not say that in any spirit of criticism, but rather in a spirit of sorrow that we should have kept this very loyal, hardworking, fine people under military jurisdiction for so many years.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. BRADLEY. I yield.

Mr. McDONOUGH. Was not the gentleman Governor of Guam at one time in his work with the United States Navy?

Mr. BRADLEY. For 2 years, and may I say to the gentleman that during those 2 years I put into effect a great many reforms and a great many measures to liberalize the government of Guam, but, unfortunately, these could last only as long as the current governor wanted them to last. He had the power to abrogate any or all at any moment.

During the few years after I left Guam, in the early thirties, I made a great many efforts to obtain measures to grant more local control to the people of that island, but I was not successful because of the situation then prevailing in the Asiatic world. However, since the recent war the governmental departments have come around to these same ideas. The Navy Department now favors an organic act and local civil government. The State Department approves, the Interior Department approves. The President has come out in favor of such an act and such civil government. Now nothing except Congress stands between the people of Guam and such laudable ambitions. The people ask only a small say in the way of government. They ask for citizenship. They ask for civil home rule. They ask for an organic act. They do

not want to get out from under the administration of the Navy. They realize that their living comes mainly from the Navy. Any effort to take them from under the jurisdiction of the Navy Department and put them under some other department at the present time would be merely starting their local economy on the road to the poorhouse.

Mr. Speaker, it seems to me that, as we discuss these matters of the independence of the United States and of our efforts to be of help to all other nations of the world, it is about time we should give a little thought and do a little something in the way of allowing local civil government and human rights to the people who are under our own domination. It is nice to help everyone else but it would be nice also to take care of our own people, among whom the people of Guam deserve an honored place.

The SPEAKER pro tempore. The time of the gentleman from California [Mr. BRADLEY] has expired.

ATOMIC BOMB

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, I have listened with a great deal of interest to the discussion today, and my remarks have no reference to the remarks of any particular individual.

A year ago today I was serving on the President's Atomic Bomb Evaluation Committee in the Bikini Lagoon, in the South Pacific. We had just witnessed the first controlled experimental dropping of an atomic bomb. Slightly less than a year previous to that, August 9–12, 1945, the two first atomic bombs used in warfare had been dropped upon the Japanese industrial cities of Hiroshima and Nagasaki. A little less than a year ago I visited those two cities in Japan. I saw with my own eyes a city of a hundred thousand, approximately the size of the city of Long Beach, Calif., where the gentleman who has just spoken comes from, completely wiped out by one bomb dropped from a B–29. Eighty thousand people lost their lives when that bomb exploded, and the city was destroyed.

I went next to the city of Nagasaki and saw a like terrible illustration of this new and terrible power which had been discovered by man.

The horror of the atomic bomb is lost in the failure of our citizens to realize its terrible destructiveness. If the people throughout the world really understood the potential threat to their very existence, they would force cooperation upon their leaders.

The summer previous, a few days after the war ended in Europe, I had the opportunity of visiting the cities in Germany such as Frankfort, Hamburg, and others. I saw those cities in their destroyed condition, and they remain that way today. I realized the tremendous effort in terms of manpower, money, equipment, and life which was utilized in the destruction of the cities of Europe, and which is the cause of the terrible devastation in that country not only in the physical sense but also in the moral and in the political sense; and I thought of the great fleets of 700 bombers that went out from England—and I was there and saw some of them go out in 1944. Conditions have changed since VE-day and it is not necessary to send out 700 bombers at a time, it is necessary to penetrate with only one bomber with one atomic bomb, and drop it on a city the size of Frankfort and create the destruction that had been created by hundreds and hundreds of B–29's.

Shortly after that I flew from the city of Bethlehem in Palestine, the Tel Aviv Airport, a distance of 8,000 miles back to San Francisco in 36 flying hours by a plane that was slow, a C–54—slow in comparison to what we have today. It is possible today to fly from Washington to San Francisco, a distance of 3,000 miles in some 7 hours by high-speed bomber with an atomic bomb.

I am bringing up these facts for the one purpose of illustrating that we live in a different world today than we have ever lived in before. We live in a world where the concern of conditions in Europe is as vital to us in this country as the concern of conditions in New York was to the people of Virginia in Revolutionary days. It takes less time to go from here to Moscow or Berlin by air than it took to go from New York to Washington by horse in Revolutionary times.

I am at the present time a member of the Joint Committee on Atomic Energy of the House and the Senate. Most of our hearings are behind closed doors. I think we members of that committee are afraid to talk on that subject today, afraid that we might inadvertently say something which we should not say; but I say in all sincerity that unless there is control of atomic energy the world that we know will go up in flames—and within a few years. Unless that control is effectuated through international control there will be no control. I stand 100 percent behind the Baruch proposal. When I picked up the paper this morning and saw that the Prime Minister's Conference had failed, a shudder went through my body because I realized that one more step had been taken toward what seemed inevitable atomic war.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for three additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. McDONOUGH. The gentleman referred to the question of the international control of atomic energy and the fact that he is a member of the Joint Committee of the House and Senate on Atomic Energy. Does the gentleman have any fear of international control of atomic energy insofar as the moral integrity and intellectual honesty of the international relationships of the United States with any other nation in the world are concerned? And if he has any such fear what nation in the world does he have the most fear of on account of lack of control of atomic energy?

Mr. HOLIFIELD. I will be glad to give my friend an answer on that which I hope will be frank.

I feel that international control is necessary, as I said. I believe it has to come through an international organization. I know the difficulties are great, but I know that that control must be established.

Mr. Speaker, I am going to say something which I have never said before in public and it is along the line of what the gentleman from Illinois [Mr. DIRKSEN] said today. I have been one of those who has thought it possible to obtain international agreement. I have not concluded yet that it is not entirely possible. But when I see things happen like the failure of the ministers' conference in Paris, because of the action of the Russian representative, a chill of fear grips my heart, because I believe that the policy of noncooperation which has been evidenced by the refusal of Russia to participate in all the different auxiliary organizations of the United Nations and to cooperate with the Atomic Energy Commission of the United Nations represents a real danger to world peace. When I see a continuance of that policy of noncooperation I realize that we are crystallizing into a condition of separation which, in my opinion, will inevitably lead to atomic war.

Mr. McDONOUGH. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. McDONOUGH. I do not want to press the gentleman for an answer, but does he have any doubt of the moral integrity and intellectual honesty of those representing the United States in any international agreement in reference to atomic energy control? Does he have any doubt of the moral integrity and intellectual honesty of our representatives in establishing international control of atomic energy?

Mr. HOLIFIELD. Speaking of Mr. Baruch?

Mr. McDONOUGH. Our representatives.

Mr. HOLIFIELD. No. I have perfect confidence in the sincerity of the United States Representatives in the United Nations.

Mr. McDONOUGH. Does the gentleman have any doubt about the moral integrity and intellectual honesty of those representing Russia, or Russia itself, in establishing international control of atomic energy?

Mr. HOLIFIELD. I have very grave doubts about them. I have arrived at that point reluctantly, hoping that cooperative solution could be reached between Russia's representatives and ours.

Mr. McDONOUGH. I am glad to have that answer.

Mr. HOLIFIELD. I say that unless international accord is reached, there

will be atomic war between nations and if atomic war comes it means the end of civilization.

The SPEAKER pro tempore. The time of the gentleman from California has expired.

THE LATE GARRETT WHITESIDE

Mr. HAYS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HAYS. Mr. Speaker, last evening a much beloved citizen of my State and for 40 years a secretary to Members of Congress died in the city of Washington. I refer to Garrett Whiteside, who came to the Capitol as a young man to serve as secretary to the late Ben Cravens, of Arkansas. Of the present membership, only the gentleman from Illinois [Mr. SABATH] was a Member of the House when Garrett Whiteside arrived. He served in later years as secretary to Hon. T. H. Caraway and Hon. Hattie Caraway, Members of the United States Senate. From 1945 to 1947 he was a member of the staff of the Secretary of the Senate He was widely known for his long and faithful service here and for his writings on Washington life. His column, which appeared in leading newspapers in Arkansas, was a popular feature and provoked a familiar opening for a conversation, "Garrett Whiteside says." He numbered his friends by the thousands and in spite of his long participation in public affairs had scarcely an enemy.

He enjoyed and cultivated his friendships, not to profit by them, but because he loved people and wanted to help them. He was one of the friendliest and one of the most industrious secretaries who ever served on Capitol Hill.

He was an exceptional husband and father, and exemplified the finest qualities in our American family life. He was an ardent churchman and a worker in many good causes His life was an unselfish one. He will be missed by thousands of friends who loved him and appreciated his contribution to our official life.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. COLE of Missouri (at the request of Mr. HALLECK), indefinitely, on account of illness.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4031. An act making appropriations to meet emergencies for the fiscal year ending June 30, 1948, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 2, 1947, present to the President, for his approval, a bill of the House of the following title:

H. R. 2700. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies for the fiscal year ending June 30, 1948, and for other purposes.

ADJOURNMENT

Mr. LOVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (a 3 o'clock and 4 minutes p. m.), under its previous order, the House adjourned until Monday, July 7, 1947, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and illustrations, on a review of reports on Westcott Cove, Conn., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on October 19, 1945 (H. Doc. No. 379); to the Committee on Public Works and ordered to be printed, with two illustrations.

887. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 17, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Kent Island Narrows to Wells Cove, Chester River, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 380); to the Committee on Public Works and ordered to be printed, with an illustration.

888. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated March 18, 1947, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Cambridge Harbor, Md., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 381); to the Committee on Public Works and ordered to be printed, with an illustration.

889. A letter from the Secretary of War, transmitting a draft of a proposed bill to equalize retirement benefits among members of the Nurse Corps of the Army and the Navy, and for other purposes; to the Committee on Armed Services.

890. A letter from the Secretary of State, transmitting a draft of a proposed bill to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor; to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 270. Resolution providing for the consideration of H. R. 1639, a bill to amend the Employers' Liability Act so as to limit venue in actions brought in United States district courts or in State courts under such act; without amendment (Rept. No. 788). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 271. Resolution providing for the consideration of Concurrent Resolution 54, concurrent resolution to provide for the use of Schick General Hospital at Clinton, Iowa, for the Veterans' Administration; without amendment (Rept. No. 789). Referred to the House Calendar.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 3043. A bill to provide for the transfer of certain lands to the Secretary of the Interior, and for other purposes; with amendments (Rept. No. 790). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 4055. A bill to provide increases in the rates of pension payable to veterans of Indian wars and the dependents of such veterans; without amendment (Rept. No. 794). Referred to the Committee of the Whole House on the State of the Union.

Mr. KNUTSON: Committee on Ways and Means. H. R. 3950. A bill to reduce individual income tax payments; without amendment (Rept. No. 795). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 4075. A bill to regulate commerce among the several States, with the Territories and possessions of the United States, and with foreign countries; to protect the welfare of consumers of sugars and of those engaged in the domestic sugar-producing industry; to promote the export trade of the United States; and for other purposes; without amendment (Rept. No. 796). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FELLOWS: Committee on the Judiciary. S. 1360. An act for the relief of Eric Seddon; without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 2350. A bill for the relief of Mrs. Daisy Park Farrow; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 1931. A bill for the relief of the alien, Michael Soldo; without amendment (Rept. No. 793). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BEALL:

H. R. 4083. A bill authorizing the State of Maryland, by and through its State roads commission or the successors of said commission, to construct, maintain, and operate a toll bridge or tunnel or combined bridge and tunnel across or under the Chesapeake Bay, in the State of Maryland, from a point in Anne Arundel County at or near Sandy Point to a point approximately opposite on Kent Island, and for other purposes; to the Committee on Public Works.

By Mr. REES:

H. R. 4084. A bill to authorize the creation of additional positions in the professional and scientific service in the War and Navy Departments; to the Committee on Post Office and Civil Service.

By Mr. SHEPPARD:

H. R. 4085. A bill to provide for the establishment of the Patton National Monument in the State of California; to the Committee on Public Lands.

By Mr. BLOOM:

H. R. 4086. A bill to amend the Civil Service Retirement Act so as to make such act applicable to the officers and employees of the National Library for the Blind; to the Committee on Post Office and Civil Service.

By Mr. BUSBEY:

H. R. 4087. A bill to reduce individual income-tax payments; to the Committee on Ways and Means.

By Mr. POULSON:

H. R. 4088. A bill to provide for the per capita distribution of certain funds in the Treasury of the United States to the credit of the Indians of California, and for other purposes; to the Committee on Public Lands.

By Mr. BENNETT of Michigan:

H. R. 4089. A bill to raise the minimum-wage standards of the Fair Labor Standards Act of 1938; to the Committee on Education and Labor.

By Mr. SHEPPARD:

H. J. Res. 225. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

By Mr. PHILLIPS of California:

H. J. Res. 226. Joint resolution to authorize commencement of an action by the United States to determine interstate water rights in the Colorado River; to the Committee on the Judiciary.

H. Con. Res. 57. Concurrent resolution regarding disposal of Torney Hospital property in Palm Springs, Riverside County, Calif.; to the Committee on Expenditures in the Executive Departments.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States in favor of the enactment of the Reed bill; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

717. By Mr. HART: Petition of New Jersey State Bar Association, urging the passage of H. R. 1639, the so-called Jennings bill; to the Committee on the Judiciary.

718. By Mrs. NORTON: Petition of the Hudson County Bar Association, of New Jersey, opposing the enactment of the Springer bill, H. R. 318, a bill to require certain persons within the United States to carry identification cards and be fingerprinted, and for other purposes; to the Committee on the Judiciary.

719. By Mr. REED of Illinois: Petition of Mrs. Ralph Emmert, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

720. Also, petition of Mrs. Earl F. Dobler, Elgin, Ill., and others, requesting favorable consideration of H. R. 1769, a peace bell bill; to the Committee on House Administration.

721. By the SPEAKER: Petition of Holy Name Society, St. Mark's Church, Gary, Ind., petitioning consideration of their resolution with reference to steps to investigate subversive activities of foreign agents working to break down constitutional government; to the Committee on Foreign Affairs.

722. Also, petition of Mrs. Carrie L. McMarcus and others, of Sarasota, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

723. Also, petition of Mrs. Albine Bibeau and others, of St. Petersburg, Fla., petitioning consideration of their resolution with reference to enactment of H. R. 16; to the Committee on Ways and Means.

SENATE

MONDAY, JULY 7, 1947

Rev. Albert Joseph McCartney, D. D., minister emeritus, Covenant-First Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou who hast called us to our high responsibilities, we ask for that meed of bodily health and mental vigor that will make us equal to our tasks. As we address ourselves to the duties of another week, make us sensitive to Thy will. Help us to keep keen the edges of our minds to make our thinking straight and true. Help us to hold our personal interests in restraint and keep Thou the door of our lips lest we offend against Thee or one another. So may we move through the routine proceedings of this day's work that when evening comes there may be no vain regrets and we may rest in peace.

These blessings we ask in Jesus' name.

THE JOURNAL

On request of Mr. WHITE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 3, 1947, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed a bill (H. R. 4011) to amend section 1602 of the Federal Unemployment Tax Act.

LEAVE OF ABSENCE

Mr. WHERRY. Mr. President, it is with deep regret that I announce the death of the wife of our colleague the junior Senator from New York [Mr. IVES]. At this time I ask unanimous consent that the junior Senator from New York be excused from sessions of the Senate for the next few days.

The PRESIDENT pro tempore. Without objection, leave is granted.

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

The PRESIDENT pro tempore. The Chair would like to make the appointments required to be made by the President pro tempore of the Senate under the terms of the Lodge-Brown Act for the establishment of the Commission on Organization of the Executive Branch of the Government. The law requires the President pro tempore to appoint two Members of the Senate and two civilians.

The Senate appointments will be the Senator from Vermont [Mr. AIKEN]; the Senator from Arkansas [Mr. MCCLELLAN]; Prof. James K. Pollock, of the University of Michigan, Ann Arbor, Mich.; and Hon. Joseph P. Kennedy, of Hyannis Port, Mass.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

COMPENSATION TO FOREIGN GOVERNMENTS FOR CERTAIN LOSSES AND DAMAGES

A letter from the Secretary of State, transmitting a draft of proposed legislation to provide for payment of compensation to the governments of foreign countries for losses and damages inflicted on neutral territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor (with an accompanying paper); to the Committee on Foreign Relations.

REPORT ON HAYDEN LAKE UNIT OF RATHDRUM PRAIRIE PROJECT, IDAHO

A letter from the Under Secretary of the Interior, transmitting, pursuant to law, his report and findings on the Hayden Lake unit of the Rathdrum Prairie project, Idaho (with an accompanying report); to the Committee on Public Lands.

REFERENCE MANUAL OF GOVERNMENT CORPORATIONS (S. DOC. NO. 74)

A letter from the Comptroller General of the United States, transmitting information supplementing the Reference Manual of Government Corporations, as prepared in the General Accounting Office (S. Doc. No. 86, 79th Cong.), and reflecting changes in applicable laws, creation or liquidation of corporations, Government reorganizations, and other conditions affecting the auditing relations of the General Accounting Office and the corporations through 1946 (with an accompanying document); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

PETITIONS

Petitions were laid before the Senate by the President pro tempore and referred as indicated:

By the PRESIDENT pro tempore:

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"Assembly Joint Resolution 50

"Joint resolution relative to funds for fish hatcheries in California

"Whereas it has come to the attention of the members of the California Legislature that because of lack of funds the United States salmon hatchery located on Mill Creek, a tributary of the Sacramento River, will be closed on May 31; and

"Whereas such closing of the hatchery will greatly and adversely affect the production and capture of salmon in the Sacramento River and tributaries as well as in the adjacent ocean; and

"Whereas such lack of funds is occasioned by budget slashes of the Department of the Interior by the Congress: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California (jointly), That the President and the Congress are memorialized to restore or otherwise provide sufficient funds to continue the operation of the said hatchery and any other hatcheries in California which may be so adversely affected; and be it further

"Resolved, That the chief clerk of the assembly be directed to send a copy of this resolution to the President of the United States, to the President pro tempore of the Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."